

# DEECA Annual Report Guide 2022-23

A guide to assist a 'public body' to prepare an annual report in accordance with the Financial Management Act 1994



## Author

Portfolio Governance Unit at [governance@deeca.vic.gov.au](mailto:governance@deeca.vic.gov.au)

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We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.



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# 1. Introduction

## 1.1 Purpose of this guide

This guide assists DEECA agencies to prepare an annual report under the *Financial Management Act 1994* (**FMA**) for the 2022-23 financial year. Agencies that are **public bodies**, as defined in section 3 of the Act, are required to prepare an annual report.

The guide's focus is on the **Report of Operations** rather than Financial Statements. For requirements relevant to Financial Statements, please refer to the Department of Treasury and Finance's (DTF) website.

## 1.2 How to use this guide



This guide is not intended to be read from start to finish!

See a description of each part below.

| Part   | Description  | Ch                         |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
|--|--|----------------------------|----|-------|---|------------------------------|---|---|---|--|----|---|----|--|----|---|----|-------------------------------------|----|--------------------------|----|------------------|----|------|
| Part A   | Annual Report – the basics <ul style="list-style-type: none"><li>• provides useful background information if you are new to annual reporting.</li><li>• describes the purpose of an annual report, and its structure.</li><li>• outlines key annual reporting requirements and the source documents that set out those requirements – the FMA, Standing Directions, Financial Reporting Directions, and Model Report.</li></ul>  | 2-6                        |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Part B   | Model Report of Operations for an agency <p>This part of the guide explores each of the disclosures in the Model Report of Operations (MRO) for Victorian Government Departments and provides guidance to a DEECA agency on any differences to how they should make a similar disclosure.</p> <table><tr><th>Model Report of Operations</th><th>Ch</th></tr><tr><td>Index</td><td>7</td></tr><tr><td>Responsible Body declaration</td><td>8</td></tr><tr><td>Disclosures in Section 1 - Year in Review</td><td>9</td></tr><tr><td>Disclosures in Section 2 – Governance and Organisational</td><td>10</td></tr><tr><td>Disclosures in Section 3 – Workforce data</td><td>11</td></tr><tr><td>Disclosures in Section 4 - Other disclosures</td><td>12</td></tr><tr><td>Financial Management Compliance attestation</td><td>13</td></tr><tr><td>Declaration in Financial Statements</td><td>14</td></tr><tr><td>Auditor General's Report</td><td>15</td></tr><tr><td>Disclosure index</td><td>16</td></tr></table> | Model Report of Operations | Ch | Index | 7 | Responsible Body declaration | 8 | Disclosures in Section 1 - Year in Review | 9 | Disclosures in Section 2 – Governance and Organisational | 10 | Disclosures in Section 3 – Workforce data | 11 | Disclosures in Section 4 - Other disclosures | 12 | Financial Management Compliance attestation | 13 | Declaration in Financial Statements | 14 | Auditor General's Report | 15 | Disclosure index | 16 | 7-16 |
| Model Report of Operations                               | Ch   |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Index  | 7  |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Responsible Body declaration                             | 8  |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Disclosures in Section 1 - Year in Review                | 9  |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Disclosures in Section 2 – Governance and Organisational | 10   |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Disclosures in Section 3 – Workforce data                | 11   |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Disclosures in Section 4 - Other disclosures             | 12   |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Financial Management Compliance attestation              | 13   |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Declaration in Financial Statements                      | 14   |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Auditor General's Report                                 | 15   |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Disclosure index   | 16   |                            |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |
| Part C   | <ul style="list-style-type: none"><li>• Design, tabling, tips and glossary</li><li>• summarises design and printing requirements, privacy &amp; ISSN</li><li>• explains the tabling date, how to table annual reports &amp; legal deposit.</li><li>• includes a checklist of common errors, useful lists and contacts and a glossary.</li></ul>  | 17-23                      |    |       |   |                              |   |   |   |  |    |   |    |  |    |   |    |                                     |    |                          |    |                  |    |      |

Also a note of caution. ***This guide should not be used as a substitute for referring to actual legislation, Accounting Standards and Financial Reporting Directions (FRDs) that are relevant to your entity.***

## 1.3 Symbols used in this guide

Symbols highlight a range of important points throughout this guide.



A new disclosure or requirement for this reporting period. Note stars are marked in **red** throughout the document

X2

A similar disclosure must be made in both the Report of Operations and the Financial Statements.



Caution. This requirement or matter discussed has caused problems for bodies in the past.



A tip or recommendation designed to enable your agency to achieve a better outcome or disclosure in respect to the matter discussed.



# Part A. Annual Reports – the basics

An overview of the key annual reporting requirements applicable to an FMA ‘public body’.



## 2. Annual reports — key sources

### 2.1 Purpose of an annual report

Annual reports are the main way that government departments and agencies demonstrate to parliament and the public that they have met their responsibilities.

The annual report demonstrates that your agency's functions and responsibilities are being discharged to the required standard, and in accordance with its **governance framework** (i.e. the laws, government policies and other obligations that bind the agency).

### 2.2 Sources of annual reporting obligations

The main sources of your agency's annual reporting requirements are:

#### Financial Management Act 1994 (FMA)

The FMA sets out a financial management framework that Victorian government departments and most public sector entities must comply with.

A public sector entity will be subject to the FMA if it falls within the definition of a 'public body', which is discussed in more detail in section 3.1 of this guide.

Most DEECA major agencies are a 'public body' for the purposes of the FMA.

**Chapter 3** contains extracts of the key annual reporting requirements that are in the FMA.

#### Standing Directions

Standing Directions are issued by the Minister for Finance, pursuant to section 8 of the FMA and detail how the requirements of the FMA must be implemented. Both Standing Directions – and the related Instructions – have legislative force and must be complied with.<sup>1</sup>

Standing Directions relevant to annual reporting are summarised in **Chapter 4**.

DEECA entities that have a **full exemption** from the Standing Directions are required to comply with DEECA's Portfolio Financial Management Compliance Framework (PFMCF) instead (see below).

Other transitional arrangements may apply to entities that have transferred to DEECA's portfolio as part machinery of government changes.

#### DEECA Portfolio Financial Management Compliance Framework

DEECA's Portfolio Financial Management Compliance Framework (**PFMCF**) is an alternative financial management framework that eligible DEECA agencies are required to comply with, and attest compliance to, on being granted a **full exemption** from the Standing Directions by the Assistant Treasurer. Eligible agencies are required to confirm their eligibility status each year and also to attest to their level of compliance to the PFMCF.

The PFMCF is essentially a scaled down version of the Standing Directions, removing compliance requirements not applicable to small low risk agencies. For example, PFMCF Agencies:

- are required to only apply the relevant requirements in the *Asset Management Accountability Framework (AMAF)* in line with the agency risk profile.<sup>2</sup>
- are required to apply a risk management framework and processes relevant to the agency's size, risk profile and complexity of operations and consistent with minimum requirements of the *Victorian Governance Risk Management Framework (VGRMF)*.<sup>3</sup>

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<sup>1</sup> section 8 of the FMA. Also see page 1, Standing Directions.

<sup>2</sup> See section 4.2.1(d) PFMCF

<sup>3</sup> See section 3.7.1 PFMCF



- do not have a requirement to maintain an **audit** or internal **audit committee**. Where an agency elects not to have an audit committee, the Responsible Body assumes the audit committee functions and responsibilities.

A list of DEECA agencies that were granted a full exemption from the Standing Directions for 2022-23 is set out in the table below:

| Full exemption for 2022-23  | Agency name   |
|---|---|
| Agencies which were granted a full exemption for 2022-23 from the Standing Directions and Instructions by the Assistant Treasurer and which are required to comply with the DEECA PFMCF   | <ul style="list-style-type: none"> <li>Caulfield Racecourse Reserve Trust,</li> <li>Commissioner for Environmental Sustainability, Yorta Yorta Traditional Owner Land Management Board</li> <li>Gunaikarnai Traditional Owner Land Management Board</li> <li>Dhelkunya Dja Land Management Board</li> <li>Victorian Environmental Water Holder</li> </ul> |
| Agencies which were granted a full exemption for 2022-23 from the Standing Directions and Instructions by the Assistant Treasurer and which were required to comply with either DJPR's or DTF's alternative financial management compliance framework | <ul style="list-style-type: none"> <li>Rural Assistance Commissioner</li> <li>Murray Valley Wine Grape Industry Development Committee</li> <li>Mine Land Rehabilitation Authority</li> <li>State Electricity Commission Victoria</li> </ul>   |



If entities have queries about the PFMCF and how it affects their annual reporting obligations, please contact: [pefinance@delwp.vic.gov.au](mailto:pefinance@delwp.vic.gov.au)

## Financial Reporting Directions (FRDs)

When preparing an annual report, your agency must comply with Financial Reporting Directions (FRDs) issued by the Minister for Finance under the FMA. For details, see **Chapter 5**.

## Model Report

Each year the Department of Treasury and Finance (DTF) issues the model report, which provides guidance to Victorian Government departments on the preparation of their annual reports. The model report is best practice for agencies.

Both the 2022-23 *Model Report for Victorian Government Departments* and a *Summary of Changes* are available from [this page](#) of DTF's website. For further details, see **Chapter 6**.

**Part B** of this guide (**Chapters 7 to 16**) describes how a DEECA agency would make a disclosure in the annual report, when that disclosure would be different to a disclosure in the Model Report that a department would make.

## Establishing Act

Most agencies are **also** subject to a requirement in their establishing Act to prepare an annual report. In some instances, an agency's establishing Act will specify matters which the agency must include in their Report of Operations.

These obligations are **in addition** to any FMA requirements that apply to the agency. These requirements are not dealt with in this guide.

If you have questions about these requirements, please contact the DEECA division that supports your agency.

## Ministerial Directions, Statements of Obligation and Statements of Expectations

Some agencies will have additional reporting requirements in a Ministerial Direction, Statement of Expectation or similar document.

Where your agency is **legally required** to comply with a direction (or similar document) that requires certain matters to be included in its annual report, then this document should also be listed in your agency's Disclosure Index. Any such agency specific reporting requirements are not discussed in this guide.

## Your corporate / business plan

The corporate or business plan of most DEECA agencies will contain key performance indicators for the agency's operational and financial performance, against which the agency is required to report its progress.

## Other Acts

Other legislation may impose annual reporting requirements on your agency. For example, the following Acts require Victorian public sector agencies to make certain disclosures in their Report of Operations:

| Legislation                          | In Model Report | See in this guide |
|--------------------------------------|-----------------|-------------------|
| Freedom of Information Act 1982      | Part 4, MRO     | 12.7              |
| Building Act 1993                    | Part 4, MRO     | 12.8              |
| Local Jobs First Act 2003            | Part 4, MRO     | 12.1              |
| Public Interest Disclosures Act 2012 | Part 4, MRO     | 12.10             |
| Disability Act 2006                  | Part 4, MRO     | 12.11             |
| Financial Management Act 1994        |                 | Chapter 3         |

While the Acts listed above apply to most Victorian public sector agencies, ***your agency may have other legal obligations that require it to report on matters in its annual report.*** Each year your agency should assess whether it has any additional legal obligations that require it to report on matters in its annual report. These may be in an Act, Regulation, subordinate instrument, Ministerial Direction or Statement of Expectation. If any exist, then they should also be listed in your agency's Disclosure Index.



Your agency's Disclosure Index should *also* list its **Establishing Act** – as well as **any other Act or instrument** that requires it to disclose specific information in its annual report.

Please note that the *Carers Recognition Act 2012* only applies to departments.

## Other WOVG frameworks & requirements

Your agency may also have annual reporting requirements in Victorian Government frameworks that it is required to comply with, such as:

- the Victorian Government Risk Management Framework (see 4.6 of this guide).
- the Asset Management Accountability Framework (see 4.7 and 12.17 of this guide)
- the Social Procurement Framework (see 12.2 of this guide)

## Premier's requests

From time to time, the Premier may make a request that annual reports be tabled or reported early. Agencies should attempt to comply with any request made by the Premier, if possible. To date, there has been no request for early tabling made by the Premier for 2022-23.

## 2.3 Structure of an annual report

An annual report consists of a **Report of Operations** (which is the focus of this guide) and **Financial Statements**, as well as appendices.

The basic structure of an annual report is set out in the table below.

| Section of Annual Report   | Requirement    | See in this Guide | See in Model Report |
|--|----------------|-------------------|---------------------|
| Report of Operations   |                |                   |                     |
| Responsible Body Declaration   | SD 5.2.3       | Ch. 8             | p.11 MRO            |
| Section 1: Year in Review  | various        | Ch. 9             | p.12 MRO            |
| Section 2: Governance and Organisational Structure   | various        | Ch. 10            | p.32 MRO            |
| Section 3: Workforce data  | various        | Ch. 11            | p.39 MRO            |
| Section 4: Other disclosures   | various        | Ch. 12            | p.45 & 72-74 MRO    |
| Financial Management Compliance Attestation  | SD 5.1.4       | Ch. 13            | p.70 MRO            |
| Financial Statements <sup>4</sup>  |                |                   |                     |
| Declaration in Financial Statements  | SD 5.2.2       | 4.12, 14          | p.80-81 MFS         |
| Auditor-General's report   | Audit Act 1994 | 15                | p.82 MFS            |
| <b>Comprehensive operating statement</b><br>(also called an 'Income Statement')                |                | -                 | MFS                 |
| Balance Sheet  |                | -                 | MFS                 |
| Cash Flow Statement  |                | -                 | MFS                 |
| Statement of changes in equity<br>(also called a 'Statement of recognised income and expense') |                | -                 | MFS                 |
| • Notes to the financial statements  |                | -                 | MFS                 |
| Appendices   |                |                   |                     |
| • Appendix 1 – Disclosure Index  | FRD 10         | 2.6               | MFS                 |
| • Other appendices   | n/a            | n/a               | n/a                 |

### Can I vary the structure?

The commentary in the MRO makes it clear that the contents and structure of an agency's Report of Operations will **vary** depending on the nature of its activities.

You may choose where in the Report of Operations you report disclosures, provided that you comply with all relevant reporting directions and legislation.

However, **a note of caution:** while there is some flexibility in the ordering of disclosures, it is strongly recommended that you do not deviate much from the order of the disclosures in the MRO, as it makes it easier for the reader to understand.

<sup>4</sup> A 'set of financial statements' is defined in Accounting Standards [AASB 101.10] includes: a statement of financial position (or balance sheet), a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.

It is also recommended that you use the **same or similar headings** for disclosures used in the MRO or this guide, as this makes it easier for the reader to understand.

| DO    |   |
|-------|---|
| ✓     | • Adopt a structure for your Report of Operations similar to that provided in the MRO.  |
| • ✓   | • Use headings for each disclosure in your Report of Operations that are the same or similar to those used in the Model Report or in Part B of this guide.  |
| DON'T |   |
| X     | • Put disclosures that should be in the Financial Statements in the Report of Operations (and vice versa).  |
| X     | • Put information that must be disclosed in the Report of Operations in an appendix, without including a summary of the disclosure in the Report of Operations and a cross reference to the appendix. |

## 2.4 Report of Operations

### Requirements

#### Section 48, FMA — Report of operations

A Report of Operations referred to in section 45 of the FMA must:

- (a) be in a form and contain information determined by the accountable officer to be appropriate
- (b) contain any other information required by the Minister for Finance.

The Report of Operations:

“provides users with general information about the entity and its activities, operational highlights for the reporting period, future directions and other relevant information not included in the financial statements.”<sup>5</sup>

FRD 22 is the key financial reporting direction relevant to the Report of Operations. It states that:

“An entity’s Report of Operations shall contain general and financial information, including other relevant information, outlining and explaining an entity’s operations and activities for the reporting period. As a minimum, the disclosures shall comply with the procedures [contained in FRD 22].”<sup>6</sup>

Information and analysis in the Report of Operations should be:

- balanced and objective
- free from bias and complete
- even-handed (i.e. deal with both the positive and negative aspects of operations, financial condition, risks and opportunities).<sup>7</sup>

Financial information and commentary in the Report of Operations must be consistent with your Financial Statements.<sup>8</sup>

<sup>5</sup> Page 10, Model Report

<sup>6</sup> FRD 22.4.1

<sup>7</sup> Page 10, Model Report

<sup>8</sup> FRD 22.4.3



## 2.5 Financial Statements

### Preparation of financial statements

An agency's Financial Statements must contain the information required by and be prepared in a manner and form that complies with the Standing Directions, FRDs and accounting standards.

See DTF's website for details about the requirements applicable to the Financial Statements.

#### Section 49 FMA — Financial Statements

The Financial Statements referred to in section 45 of the FMA must:

- (a) contain such information as is required by the Minister for Finance
- (b) be prepared in a manner and form approved by the Minister for Finance
- (c) present fairly the financial transactions of the public body during the financial year to which they relate
- (d) present **fairly** the **financial position** of the public body as at the end of that year
- (e) be **certified by the accountable officer** for the public body in the manner approved by the Minister for Finance.

### Declaration in the Financial Statements

Section 49(e) of the FMA states that the financial statements must be certified by the accountable officer for the public body in the manner approved by the Minister for Finance. Chapter 14 of this guide discusses the declaration in the financial statements in detail.

### Rounding of monetary amounts in the financial statements (FRD 30)

FRD 30 states how amounts in financial statements can be rounded.

Amounts in the financial statements must be expressed **to the nearest dollar — except where the total assets, revenue or expenses of the agency are greater than:**

- \$10 000 000: in which case, amounts may be expressed to the nearest \$1 000; or
- \$1 000 000 000: in which case, amounts may be expressed to the nearest \$100 000.

### Auditor General's Report

A copy of the Auditor General's report must be included in full in your annual report.

See chapter 15 for details.

## 2.6 Appendices

For ease of understanding and clarity, it is more appropriate to include detailed information in an appendix. Where this is done, the Report of Operations **must** still include a summary of the information, together with a **cross-reference** to the applicable appendices.

The first Appendix to an agency's annual report should be the **Disclosure Index** (see chapter 1 of this guide).

## 3. Financial Management Act 1994

This chapter explains which entities are required to comply with the FMA and contains key sections of the FMA that are relevant to the preparation and tabling of annual reports.

### 3.1 ‘Public body’ definition

Most DEECA major agencies are a ‘public body’ for the purposes of the FMA.

The definition of a ‘public body’ is set out in the table below.

#### Section 3 FMA - Definition of a public body

A ‘public body’ means:

- a. a public statutory authority;
- b. a State business corporation or State body within the meaning of the *State Owned Enterprises Act 1992*; or
- c. a body, office or trust body established:
  - i. by or under an Act or enactment; or
  - ii. by the Governor in Council or a Minister; and
  - iii. that is declared by the Minister for Finance, by notice published in the Government Gazette, to be a body or office to which Part 7 applies.

Most DEECA entities are a ‘public body’ for the purposes of the FMA because they fall within the first limb of the ‘public body’ definition (i.e. they are a “public statutory authority”).

A **public statutory authority** is generally accepted to mean a legal entity (typically a body corporate) that:

- performs one or more functions of a public nature for the benefit of the community;
- does so under authority granted by or under Victorian legislation to perform a public purpose; and
- is accountable to, and subject to control by, the State of Victoria in the performance of those functions.<sup>9</sup>

VicForests is an example of an agency that is a ‘public body’ for the purposes of the FMA that falls within the second limb of the ‘public body’ definition. (i.e. VicForests is a ‘state body’ that has been declared to be a ‘state business corporation’ within the meaning of the *State Owned Enterprises Act 1992*).

A Corporations Act company will generally not be regarded to be a ‘public body’ for the purposes of the FMA. However if Corporations Act company has been declared to be a body to which section 53A FMA applies, then it must submit its annual report to the relevant Minister under s.53A FMA, and the Minister must table that report in Parliament under section 53A(5) FMA. This is discussed in more detail at the end of this chapter.

### 3.2 Overview of key annual reporting requirements in FMA

An agency is required to:

- prepare their Report of Operations and financial statements in accordance with the FMA, Standing Directions, FRDs and accounting standards.<sup>10</sup>
- submit their financial statements to the Auditor General within 8 weeks of the end of financial year (EOFY);<sup>11</sup> and
- submit their Report of Operations to the Auditor General as soon as practical.<sup>12</sup>

<sup>9</sup> See DTF guidance ‘Is your agency subject to the Standing Directions 2018 under the Financial Management Act 1994, Updated 1 January 2023 available from DTF’s website at [this link](#).

<sup>10</sup> Sections 45(1), 48 (Report of Operations) and 49 (financial statements) FMA.

<sup>11</sup> Section 45(2) FMA

<sup>12</sup> Section 45(3A) FMA

The Minister responsible for an agency is required to:

- **table** the agency's annual report in both houses of Parliament by the due date; or
- if the agency's annual turnover is less than \$5 million, **report** his or her receipt of the annual report, to both houses of Parliament, by the due date.

How the FMA defines the 'due date' is discussed in **19.2** of this guide.

If an annual report is not tabled or reported by the due date, section 46(3) of the FMA describes the steps that must be taken by the agency and the Minister.

### **3.3 Extracts of key sections of the FMA**

Extracts of the key sections of the FMA are set out below. Please refer to the FMA for complete extracts.

## Audit of financial statements and preparation of report of operations (s.45)

### Section 45 FMA – Report of operations and financial statements to be prepared<sup>13</sup>

s.45 (1) As soon as practicable after the end of each financial year (EOFY):

(a) ....

- (b) a public body must cause to be prepared, in accordance with Part 7 of the FMA, a **Report of its Operations** during the financial year
- (c) the accountable officer of a public body must cause to be prepared, in accordance with Part 7 of the FMA, **Financial Statements** of the public body for the financial year.

(2) The accountable officer of a public body must submit the public body's financial statements to the Auditor-General within eight weeks after the EOFY.

(3A) A public body must submit the public body's **Report of Operations** to the Auditor-General as soon as practicable after it has been prepared.

## Tabling or reporting in Parliament (s.46)

### Sections 46 FMA — s.46 Tabling Requirements

s.46 (1) Subject to ss.46(2) and (3), the relevant Minister of a department or public body must cause the report of operations and audited financial statements of the department or public body for a financial year to be laid before each House of the Parliament after the end of that financial **year and before the end of the next following fourth month of the year or on the first sitting day of the House after the end of that month.**

**For the 2022-23 year this means 1 November 2023 is the last sitting day under this Section to meet this requirement for tabling.**

(2) If it appears to the relevant Minister from the financial statements of the department or public body that the expenses and obligations of the department or public body in respect of the financial year do not exceed \$5 000 000, the relevant Minister—

(a) must report to each House of the Parliament the receipt by him or her of the report of operations and financial statements of the department or public body; and

(b) if a member of either House of the Parliament so requests, must cause the report of operations and financial statements to be laid before each House of the Parliament within 14 sitting days of that House after the request.

(3) If the relevant Minister of a department or public body has not received the report of operations and financial statements of the department or public body in time for him or her to comply with s.46 (1), the relevant Minister—

(a) must cause that fact and the reasons for it to be reported to each House of the Parliament; and

(b) must cause the report of operations and financial statements to be laid before each House of the Parliament as soon as practicable after they are received by him or her.....<sup>14</sup>

## Report of Operations (s.48)

### Section 48, FMA — Report of operations

s.48 A Report of Operations referred to in section 45 of the FMA must:

- (a) be in a form and contain information determined by the accountable officer to be appropriate; and
- (b) contain any other information required by the Minister for Finance.

## Financial Statements (s.49)

### Section 49 FMA — Financial Statements

- s.49 The Financial Statements referred to in s.45 of the FMA must:
- (a) contain such information as is required by the Minister for Finance
  - (b) be prepared in a manner and form approved by the Minister for Finance
  - (c) present **fairly** the **financial transactions** of the public body during the financial year to which they relate
  - (d) present **fairly** the **financial position** of the public body as at the end of that year
  - (e) be **certified** by the **accountable officer** for the public body in the manner approved by the Minister for Finance.

## Annual reports of State-owned corporations and other bodies (s.53A)

A Corporation Act company that is wholly owned by the Victorian government may be declared to be a body to which section 53A of the FMA applies.<sup>15</sup>

If a section 53A declaration has been made in respect of an entity, then:

- that entity must, as soon as practicable after the end of each financial year, submit to the relevant Minister its annual report, including its audited financial statements, in respect of that financial year.<sup>16</sup>
- the relevant Minister must cause the annual report to be tabled in both Houses of Parliament on or before **31 October** each year or, if a House is not then sitting, on the first sitting day of that House after 31 October.

If the entity's expenses and obligations in respect of the financial year do not exceed \$5 000 000, then section 53A(6) allows the responsible Minister to report to Parliament the receipt of the entity's annual report.

A section 53A FMA declaration has been made in respect to two Corporations Act companies in DEECA's portfolio:

- Agricultural Victoria Services Pty Ltd
- Phytogene Limited

While these entities are not required to comply with the requirements of the Standing Directions, they may voluntarily do so.

<sup>13</sup> Section 45(4) and (5) have not been included as they are not relevant to DEECA entities.

<sup>14</sup> Sections 46(4) and s.47 ('Minister may vary reporting requirements') FMA have not been included

<sup>15</sup> Sections 53A(1) and (2) FMA describe the type of entities which may be declared to be a body to which S.53A FMA applies.

<sup>16</sup> Section 53A(4) FMA. Section 53A(3) FMA requires the Governor in Council to declare a Minister to be the relevant Minister by notice published in the Government Gazette.

## 4. Standing Directions

The **Standing Directions** (SDs) issued by the Minister for Finance under section 8 of the FMA have legislative force and **must be complied with**. The **Instructions** are also mandatory.

The **Guidance**, in relation to the Standing Directions, is not mandatory.

Current versions of the Standing Directions, Instructions and Guidelines are available from DTF's website.<sup>17</sup>

### 4.1 Key Standing Directions

Key SDs relevant to annual reporting are listed in the table below. Each of these SDs are then discussed in more detail in this Chapter.

| Standing Direction | Description  | See in this guide    |
|--------------------|--|----------------------|
| SD 2.4             | Chief Financial Officer (CFO) - expertise and qualifications.  | 3                    |
| SD 3.2.1           | Audit committees – membership & responsibilities   | 4.4; 4.5; 10.3, 13.5 |
| SD 3.7.1           | Compliance with Risk Management Framework  | 4.6                  |
| SD 4.2.3           | Compliance with Asset Management Accountability Framework  | 4.7                  |
| SD 5.1.4           | Financial management compliance attestation  | 8; 13                |
| SD 5.2.1(a)        | requires an Accountable Officer to ensure the agency's Annual Report is prepared in accordance with the FMA, all relevant Directions and accounting standards. | 4.9                  |
| SD 5.2.1(b)        | requires <b>Departments</b> to present their annual report in accordance with the Model Report. <sup>18</sup>  | 4.9; 6               |
| SD 5.2.1(c)        | Annual reports must be published on your agency's website.   | 4.10                 |
| SD 5.2.2           | Declaration in Financial Statements  | 4.12; 14             |
| SD 5.2.3           | Responsible Body Declaration   | 4.11; Ch. 8          |

### 4.2 Updates to SDs, Guidance and Instructions

There have been two **updates** to the Standing Directions since 30 June 2022 (summarised below), which have little or no relevance to a DEECA entity's annual report.

| Section                           | Effective        | What has changed  |
|-----------------------------------|------------------|---|
| Revisions to SDs 1.6, 2.5 and 3.3 | 12 August 2022   | Revisions to procedures for seeking exemptions from Central Banking System requirements   |
| Revisions to SDs 1.6, 2.5 and 3.3 | 28 December 2022 | Revisions to insert definitions for Administrative Office Head and Administrative Offices, and to clarify the ability of Administrative Office Heads, executives and employees to receive delegations and financial authorisations. |

There has been no change to the **Guidance** since 1 April 2021.

There was one update to the Instructions (**Instruction 3.6**) since 30 June 2022, summarised below.

<sup>17</sup> <https://www.dtf.vic.gov.au/financial-management-government/standing-directions-2018-under-financial-management-act-1994>

<sup>18</sup> Agencies should apply the Model Report to the extent applicable.



| Section   | Effective        | What has changed   |
|---|------------------|--|
| Instruction 3.6<br>(Purchasing card use and administration) | 28 December 2022 | Revisions to clarify that employees of the relevant Agency for the purposes of Instruction 3.6 may include persons listed in Direction 2.5(d). The persons listed in Direction 2.5(d) include: <ul style="list-style-type: none"> <li>• an employee of another Agency seconded to the relevant Agency under a formal agreement between the two Agencies; and</li> <li>• an employee of another Agency undertaking responsibilities of the relevant Agency under specific circumstances e.g. the FMA</li> </ul> |

Entities should refer to DTF's website for full details of any changes.

## 4.3 CFO expertise (SD 2.4.5)

Only a CFO who has the requisite experience may sign an agency's Financial Statements declaration.

The experience that a CFO is required to have is described in SD 2.4.5 (see below, and also Guidance 2.4 (Chief Financial Officer)).

A person who is appointed as CFO for less than 4 months is not required to have the requisite experience (see SD 2.4.5(b)). However such a person is not able to sign an agency's Financial Statements declaration.

| SD 2.4.5 | CFO expertise and qualifications   |
|----------|--|
|          | <p>(a) The CFO must:</p> <ul style="list-style-type: none"> <li>• (i) be suitably experienced;</li> <li>• (ii) hold a graduate or post graduate qualification in accounting or other relevant discipline granted by a tertiary education provider; and</li> <li>• (iii) keep their knowledge and expertise up to date with developments in financial management including AASs.</li> </ul> <p>(b) A person that is temporarily acting in the role of CFO for a period no greater than <b>four months</b> is not subject to SD 2.4.5.</p> |

SD 5.2.2(c) (discussed below in section 4.12) explains who can sign an agency's Declaration in the Financial Statements if your agency does not have a CFO or if the CFO does not have the requisite experience.

## 4.4 Audit committee - membership (SD 3.2.1.3)

### SD 3.2.1.3

### Audit committee — membership & independence

(c), (f) & (h)<sup>19</sup>

The audit committee must:

- (c) be constituted by members with appropriate skills and experience to discharge the audit committee's responsibilities, with **at least one** member having appropriate expertise in financial accounting or auditing
- (f) be independent and include:
  - (i) **at least three** members;
  - (ii) a **majority** of **independent** members; and
  - (iii) **at least three non-executive directors** on the statutory board if that is the responsible body; and
  - (iv) **an independent** member as Chair (this must not be the Chair of the responsible body)
- (h) **not** include the following persons as members:
  - (i) Accountable officer;
  - (ii) CFO; or
  - (iii) the internal auditors.

### When is an audit committee member regarded as independent?

The majority of the members of an audit committee must be 'independent' members.<sup>20</sup>

The Chairperson must also be an independent member.

But who is regarded as an independent member?

"An independent member of an Audit Committee is **not involved in the day-to-day management of the Agency**. This seeks to ensure that the independent Audit Committee member acts in an objective, impartial manner, is free from conflict of interest, inherent bias or undue external influence."<sup>21</sup>

Other relationships that may be seen to **impair** an audit committee member's independence include:

- current or previous employment by the agency
- receipt of material consulting, advisory or contractual relationship with the agency other than as a Board or committee member of the agency
- any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the person's ability to act in the best interests of the agency.<sup>22</sup>

Guidance 3.2.1 makes it clear that a current or prior employee of an agency can still be a member of the audit committee. They would just not be regarded to be an independent member of that committee.

### Who is a 'non-executive director'?

At least three members of the audit committee must be 'non-executive directors' (SD 3.2.1.3).

But who would be regarded to be a "non-executive director"?

<sup>19</sup> Also see SD 3.2.1.3 for the complete text and also Guidance 3.2.1 (Audit Committee)

<sup>20</sup> SD 3.2.1.3(f)

<sup>21</sup> Guidance 3.2.1 (Audit Committees), page 26

<sup>22</sup> Guidance 3.2.1 (Audit Committees), page 26

|                          |  |
|--------------------------|--|
| 'Executive director'     | A board member who is also on the executive management team (e.g. a CEO or CFO). |
| 'Non-executive director' | A board member who is <i>not</i> on the executive management team                |

Most DEECA agencies do not have **any** executive directors on their boards. Therefore – for most DEECA agencies - **all** board members will generally be non-executive directors.

The water corporations are one exception. The Managing Director of a water corporation is also a board member and would therefore be an executive director.

The Guidance to the Standing Directions provides the following additional information about a non-executive director:

“A **non-executive director** is a member of the Board of directors of an Agency who does not form part of the executive management team. For example, they are not the CEO or CFO. Generally speaking, Audit Committee members are sourced from non-executive directors on the Board. As such, a non-executive board member (director) can also be an independent member of the Audit Committee. The concepts of ‘non-executive director’ (i.e. member of the Board) and ‘independent Audit Committee member’ are therefore not mutually exclusive.”

## 4.5 Audit Committee’s role (SD 3.2.1)

SD 3.2.1 provides a detailed description of the role and responsibilities of an audit committee.

| 3.2.1 | Role and responsibilities of an audit committee   |
|-------|---|
|       | <p>The committee’s role during the annual reporting period includes but is not limited to:</p> <ul style="list-style-type: none"> <li>• reviewing the agency’s annual financial statements and making a recommendation to the board as to whether to authorise the statements (SD 3.2.1(c))</li> <li>• reviewing information in the report of operations on financial management, performance and sustainability (SD 3.2.1(d))</li> <li>• reviewing and monitoring compliance with the FMA, the Directions and the Instructions, and advising the board on the level of compliance attained (SD 3.2.1(e)).</li> </ul> |

For the complete description, see SD 3.2.1 and Guidance 3.2.1 — Audit Committee.

DEECA entities that are subject to the PFMCF are not required to maintain an audit or internal audit committee in accordance with SD 3.2.1. Where an entity elects not to have an audit committee, the responsible body (i.e. the board) assumes the audit committee functions and responsibilities. Please refer any questions regarding audit committees or the responsibilities of an audit committee to: [pefinance@delwp.vic.gov.au](mailto:pefinance@delwp.vic.gov.au)

## 4.6 Compliance with the Risk Management Framework (SD 3.7.1)

Direction 3.7.1 states that an agency’s board must ensure that the agency applies the Victorian Government Risk Management Framework (August 2020) (VGRMF).<sup>23</sup>

<sup>23</sup> The Victorian Government Risk Management Framework applies to departments and public bodies covered by the *Financial Management Act 1994*. It is available from DTF’s website at: <https://www.dtf.vic.gov.au/sites/default/files/document/Victorian%20Government%20Risk%20Management%20Framework%20-%20August%202020.pdf>

|              |  |
|--------------|--|
| <b>3.7.1</b> | <b>Risk management framework and processes</b>   |
| 3.7.1        | The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework. |

The VGRMF describes the **minimum** risk management requirements that an agency is required to meet to demonstrate that it is managing risk effectively, including shared and state significant risk.

The VGRMF:

- outlines the role and responsibilities of an agency's board and an audit committee.
- adopts the ISO 31000:2018 *Risk Management – Guidelines* which provides an internationally accepted basis for best practice risk management.

It also details an agency's obligation to obtain insurance from VMIA.

Further information and guidance material is available on VMIA's website.

3.7.1 of the PFMCF requires the responsible body of a PFCMF agency to ensure that:

“the Agency applies a risk management framework, processes and strategies relevant to the Agency's size, risk profile and complexity of operations.”

The framework and processes must be “consistent with applicable minimum requirements as set out in the Victorian Government Risk Management Framework.”

## 4.7 Compliance with the Asset Management Accountability Framework (SD 4.2.3)

An agency's board is required to apply the Asset Management Accountability Framework.

|              |  |
|--------------|--|
| <b>4.2.3</b> | <b>Asset management accountability</b>   |
|              | The Responsible Body must ensure that the Agency applies the Victorian Government's Asset Management Accountability Framework. |

See 12.17 for further details about the AMAF disclosure your agency is required to make.

## 4.8 Financial Management Compliance Attestation (SD 5.1.4)

An attestation of your agency's compliance with the Standing Directions during the 2022-23 reporting period must be included in its Report of Operations.

|              |  |
|--------------|--|
| <b>5.1.4</b> | <b>Financial management compliance attestation</b>   |
|              | <p>(a) The Responsible Body, or a member of the Responsible Body, must, in the Agency's Annual Report, in relation to the relevant financial year, attest to compliance with applicable requirements in the FMA, these Directions and the Instructions, and disclose all Material Compliance Deficiencies.</p> <p>(b) The compliance attestation under Direction 5.1.4(a) must relate to compliance for the entire period of the relevant financial year.</p> <p>(c) The Audit Committee must review the attestation under Direction 5.1.4(a).</p> |

See Chapter 13 for further details about how to make this attestation.

DEECA entities subject to the PFMCF must attest to compliance with the applicable requirements in the FMA and the PFMCF in accordance with section 5.1.3 of the PFMCF and the template attestation in Appendix 6.

Any other DEECA entities that have a full exemption from the Standing Directions for the relevant year should contact [pefinance@delwp.vic.gov.au](mailto:pefinance@delwp.vic.gov.au) to confirm how they should attest for 2022-23.

## 4.9 Annual Reporting (Standing Direction 5.2)

An agency's accountable officer ensures the agency's Annual Report is prepared in accordance with the FMA, Standing Directions, Financial Reporting Directions and accounting standards.

It is a legal requirement for **Departments** to also present their annual report in accordance with the Model Report. **Agencies** are still expected to apply the Model Report, but only **to the extent applicable**.

| 5.2      | Annual Reporting  |
|----------|---|
| 5.2.1(a) | The accountable officer must implement and maintain a process to ensure the agency's Annual Report is prepared in accordance with: <ul style="list-style-type: none"><li>• the FMA</li><li>• the Standing Directions (SDs)</li><li>• the Instructions</li><li>• applicable Australian Accounting Standards</li><li>• applicable Financial Reporting Directions (<b>FRDs</b>).</li></ul> |
| 5.2.1(b) | SD 5.2.1(b) requires a <b>department</b> to apply the Model Financial Report when preparing their annual report.  |

Your agency is required to prepare its annual report "with reference to" the Model Report. The MRO states that:

"Judgement is required to determine where to apply or modify the Model Report to meet the entity's specific reporting requirements.<sup>24</sup>

Section 5.2.1(a) of the PFMCF requires the Accountable Officer to implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with:

- the FMA
- DEECA's PFMCF (rather than the SDs and Instructions)
- applicable Australian Accounting Standards
- Financial Reporting Directions.

## 4.10 Publication of report online

| SD       | Requirement  |
|----------|--|
| 5.2.1(c) | An agency must publish its annual report on their website. |

If your agency does not have a website, then it should arrange to publish its report on DEECA's website.

Section 5.2.1(b) of the PFMCF contains an identical requirement to SD 5.2.1(c).

## 4.11 Responsible Body Declaration (SD 5.2.3)

The responsible body declaration is the first item in the Report of Operations.

See Chapter 8 for further details.

<sup>24</sup> Page 5, MRO.

### 5.2.3

### Declaration in Report of Operations<sup>25</sup> (Responsible Body Declaration)

For a public body, the Report of Operations must be signed and dated by a member of the **responsible body**.

Section 5.2.3 of the PFMCF contains an identical requirement to SD 5.2.3.

## 4.12 Declaration in Financial Statements (SD 5.2.2)

This declaration is the first item in the Financial Statements. SD 5.2.2 explains who signs this declaration and what must be declared.

If your agency does not have a CFO or does not have a CFO with relevant expertise, see SD 5.2.2(c).

What is regarded to be “relevant expertise” for a CFO is described in SD 2.4.5(a). See Chapter 14 for further details.

### SD 5.2.2 Declaration in Financial Statements

|          |  |
|----------|--|
| 5.2.2(a) | <p>Who must sign the declaration?</p> <p>An agency’s financial statements must include a signed and dated declaration by:</p> <ul style="list-style-type: none"><li>• the accountable officer</li><li>• the <b>CFO</b> (subject to SD 5.2.2(c))</li><li>• a <b>member</b> of the <b>responsible body</b> if the agency has a board or equivalent governing body.</li></ul>   |
| 5.2.2(b) | <p>What must be declared?</p> <p>The declaration required under SD 5.2.2(a) must state that in the joint opinion of the signing persons:</p> <ul style="list-style-type: none"><li>(i) the financial statements <b>present fairly</b> the financial transactions during the reporting period and the <b>financial position</b> at the end of that period</li><li>(ii) the financial statements have been prepared in accordance with applicable requirements in the FMA, the Standing Directions, the FRDs and the AAS’s.</li></ul>        |
| 5.2.2(c) | <p>Who signs the declaration if there is no CFO or if CFO does not have relevant expertise?</p> <p>If an agency’s CFO (including an acting CFO) does not have expertise and qualifications in compliance with SD 2.4.5(a), or if an agency does not have a CFO:</p> <ul style="list-style-type: none"><li>(i) the CFO must not sign financial statements</li><li>(ii) the accountable officer must ensure that the financial statements are signed by a person with the expertise and qualifications required under SD 2.4.5(a).</li></ul> |

PFMCF entities should refer to Section 5.2.2 of the PFMCF instead.



If you have questions about the Standing Directions, contact DTF at:  
[standing.directions@dtf.vic.gov.au](mailto:standing.directions@dtf.vic.gov.au) or on: (03) 9651 0031.

<sup>25</sup> For a department, the accountable officer (i.e. the Secretary) makes this declaration and it is referred to as the Accountable Officer’s Declaration.



## 5. Financial Reporting Directions (FRDs)

### 5.1 FRDs – an overview

#### What is an FRD?

Financial Reporting Directions (**FRDs**) are directions issued by the DTF to provide further details on financial and non-financial reporting requirements for a department or agency. There are approximately 40 FRDs, which are divided into two groups:

- **FRDs numbered 100 and above** are directions issued for **AASs in relation to financial policy and disclosures**. These FRDs relate to the Financial Statements and are not discussed in this guide.
- **FRDs numbered below 100** are directions mainly issued in relation to **non-financial** policy and disclosures. These FRDs (predominantly) relate to the Report of Operations and are discussed in this guide if relevant to agencies.

A few FRDs apply to the production of **both** parts of the annual report (e.g. FRD 10 and FRD 12).

#### Are FRDs legally binding?

Yes. The FRDs have legislative force and all public bodies must comply with them.

#### Do all FRDs apply to agencies?

Some FRDs only apply to departments. Other FRDs only apply to certain types of agencies.

### 5.2 Updated FRDs for 2022-23 ★

In addition to the new FRD 24 (released in June 2022), a further two FRDs were updated and are effective for 2022-23. There are two key updates to the FRDs relevant to the preparation of your Report of Operations for 2022-23:

| FRD  | Description of update   |
|--|---|
| <u><b>FRD 22</b> (<i>Standard Disclosures in the Report of Operations</i>)</u>   | FRD 22 has been updated to include para 5.29, which requires entities to make a new emergency procurement disclosure in their report of operations.<br><br>FRD 22.5.19 applies to entities that are required to comply with Victorian Government Purchasing Board supply policies.  |
| <b>FRD 24</b> (Reporting of environmental data by government entities) (June 2022)) <ul style="list-style-type: none"><li>• <u>Guidance on environmental disclosures under FRD 24</u> (the new Guidance)</li><li>• <u>Guidance on the application of reporting tiers under FRD 24</u> (the list of agencies by reporting tier)</li></ul> | A new FRD 24 (replacing FRD 24 <i>Reporting of Office-based Environmental Data by Government Entities</i> ) was released in June 2022. Entities will be required to make their first disclosure in their report of operations that complies with the new FRD 24 in their 2022-23 annual reports.<br><br>Two related guidance notes to the new FRD 24 have also been released. |
| <b>FRD 120</b> (Accounting and Reporting Pronouncements Applicable to 2022-23 reporting period)  | This is the omnibus FRD, that is updated annually   |

### 5.3 FRDs < 100 – Non-financial policy and disclosures

The table below lists the FRDs numbered below 100 that are relevant to the Report of Operations. It also identifies whether:

- an FRD applies to departments, all agencies or a certain type of agency;
- additional information about an FRD is in this guide; or
- additional guidance material has been issued by the DTF about an FRD.

| FRD  | Depts | Public bodies   | in this guide       |
|--|-------|-----------------|---------------------|
| <a href="#">FRD 8 Consistency of Budget and Departmental Reporting</a>   | P     | X               | n/a                 |
| <a href="#">FRD 10 Disclosure Index</a> <sup>(a)</sup>   | P     | P               | 16                  |
| <a href="#">FRD 12 Disclosure of Major Contracts</a> <sup>(b)</sup>  | P     | (c)             | 12.6                |
| <a href="#">FRD 13 Disclosure of Parliamentary appropriations</a>  | P     | X               | n/a                 |
| <a href="#">FRD 14 Disclosures in Annual Reports by Public Sector Superannuation Schemes</a>   | X     | (d)             | n/a                 |
| <a href="#">FRD 15 Executive Officer Disclosures in the Report of Operations by Departments</a>  | P     | X               | 11.5                |
| <a href="#">FRD 17 Wage Inflation and Discount Rates for Employee Benefits</a>   | P     | P               | n/a                 |
| <a href="#">FRD 20 Accounting for State motor vehicle lease arrangements prior to 1 February 2004</a>  | P     | P               | n/a                 |
| <a href="#">FRD 21 Disclosures of responsible persons and executive officers in the financial report</a>   | P     | P               | 11.5                |
| <a href="#">FRD 22 Standard Disclosures in the Report of Operations</a> ★  | P     | P               | 9 to 11.4           |
| <ul style="list-style-type: none"> <li>• <a href="#">Victorian Public Sector Standard Model for collecting staff gender information</a></li> </ul>   | P     | P               | 11.3                |
| Guidance notes for FRD 22:   |       |                 |                     |
| <ul style="list-style-type: none"> <li>• <a href="#">Guidance Note - Additional information available on request</a></li> <li>• <a href="#">Guide Note - guidance on the definition of a consultant</a></li> </ul>   |       |                 |                     |
| <a href="#">FRD 24 Reporting of environmental data by government entities</a> ★  | P     | ✓ (e)           | 12.14               |
| New Guidance notes for FRD 24: ★   |       |                 |                     |
| <ul style="list-style-type: none"> <li>• <a href="#">Guidance on environmental disclosures under FRD 24</a> (the new Guidance on FRD 24)</li> <li>• <a href="#">Guidance on the application of reporting tiers under FRD 24</a> (the list of agencies by reporting tier)</li> </ul>                        |       |                 |                     |
| <a href="#">FRD 25 Local Jobs First Disclosures in the Report of Operations</a>  | P     | P               | 12.1                |
| <a href="#">FRD 27 Presentation and Reporting of Performance Information</a>   | X     | water corps (f) | 9.6;<br>9.7;<br>9.8 |
| <a href="#">FRD 29 Workforce Data Disclosures in the Report of Operations – Public Service Employees</a>   | P     | EPA, SV (g)     | 11.3                |
| <ul style="list-style-type: none"> <li>• Guidance notes on FRD 29:</li> <li>• <a href="#">Guidance on FRD 29: Workforce Data disclosures in the Report of Operations under FRD 29</a></li> <li>• <a href="#">Victorian Public Sector Standard Model for collecting staff gender information</a></li> </ul> |       |                 |                     |
| <a href="#">FRD 30 Standard Requirements for the Publication of Annual Reports</a>   | P     | P               | 17                  |

Notes:

- FRD 10 *a/so* applies to matters contained in the Financial Statements.
- FRD 12 *a/so* applies to the Financial Statements.
- FRD 12 applies to departments. However, DEECA agencies are encouraged to comply, to the extent applicable.

- d. FRD 14 applies to a public body that is a public sector superannuation scheme. No DEECA agencies are public sector superannuation schemes.
- e. FRD 24 is mandatory for all FM Act 'public bodies' that are required to comply with the Standing Directions.
- f. The only entities to which FRD 27 applies are the 18 water corporations.
- g. FRD 29 applies only to bodies that employ staff under Part 3 of the PAA such as Sustainability Victoria and Environment Protection Authority. Other DEECA agencies that employ > 50 employees are encouraged to make a disclosure with a similar level of detail to that described in FRD 29.

## 6. Model report

Each year, DTF prepares an annual report for a fictional department – the Department of Technology - which is referred to as the Model Report. The Model Report provides guidance to departments and agencies on preparing their annual reports.

The [2022-23 Model Report for Victorian Government Departments](#) and a [Summary of Changes to the Model Report](#) are available from DTF's website (via the same link<sup>26</sup>).

### 6.1 Do agencies need to comply with the Model Report?

While it is **mandatory** for **departments** to apply the Model Report<sup>27</sup>, other public sector agencies are encouraged to prepare their reports 'with reference to' the Model.

For consistency and comparability purposes, it is **best practice** for DEECA public bodies to base their annual reports on this Model Report, where and to the extent applicable.

The MRO states that: "Judgement is required to determine where to apply or modify the Model to meet the entity specific reporting requirements."<sup>28</sup>

### 6.2 Key changes in the 2022-23 Model Report ★

The amendments to the Report of Operations in the 2022-23 Model Report are summarised below.

| Subject matter                              | Source of change   | Summary of changes  | Page       |
|---|--|---|------------|
| Freedom of Information                      | OVIC website on: <a href="https://ovic.vic.gov.au/freedom-of-information/make-a-freedom-of-information-request/#paying-the-application-fee">https://ovic.vic.gov.au/freedom-of-information/make-a-freedom-of-information-request/#paying-the-application-fee</a> | The FOI disclosure in the MRO was amended to include: <ul style="list-style-type: none"><li>• the application fee for 2022-23</li><li>• the process of making request.</li><li>• the updated processing time</li></ul> The latter two amendments had already been made to the FOI disclosure in this guide. | p. 52 – 53 |
| Emergency Procurement (FRD 22.5.19)         | Addition of disclosure of Emergency Procurement to FRD 22 ( <i>Standard disclosures in the Report of Operations</i> ).   | Example disclosures have been included to illustrate the emergency procurement disclosures arising from <i>Governance – goods and services policy</i> .<br>FRD 22 has been updated to require entities to make an emergency procurement disclosure.   | p. 59      |
| Expanded environmental disclosures (FRD 24) | Revised FRD 24 (Reporting of environmental data by government entities).   | The existing guidance and illustrative example have been updated to reflect the expanded disclosure requirements in the updated FRD 24 which became effective on 1 July 2022.   | p. 61 – 70 |

There were no amendments to the Model Financial Statements of note for 2022-23.

<sup>26</sup> <https://www.dtf.vic.gov.au/financial-reporting-policy/model-report>

<sup>27</sup> SD 5.2.1(b)

<sup>28</sup> Page 5, MRO.



## Part B. Model Report of Operations for an agency



## 7. Index

| Disclosure for a department  | Disclosure for an agency   | Source                         | See in this guide |
|--|--|--------------------------------|-------------------|
| <b>Declaration in Report of Operations</b>   |  |                                |                   |
| Responsible Body declaration   | same   | SD 5.2.3                       | Ch.8              |
| <b>Part 1: Year in Review</b>  |  |                                | <b>Ch. 9</b>      |
| Vision, Mission, Values  | same or similar  | MRO                            | 9.2               |
| <b>Secretary's report</b>  | Chair's Report   | none                           | 9.1               |
| <b>Manner of establishment &amp; Minister/s</b>  | same   | FRD 22                         | 9.3               |
| <i>[not a separate disclosure]</i>   | Nature and range of services provided  | FRD 22                         | 9.4               |
| <b>Purpose and Functions</b>   | Objectives, functions, powers and duties   | FRD 22                         | 9.5               |
| <b>Changes to the Department</b>   | n/a  | n/a                            | n/a               |
| <b>Machinery of govt changes</b>   | n/a  | MRO                            | n/a               |
| Performance reporting (non-financial)  |  |                                |                   |
| <b>Departmental objectives, indicators</b>   | n/a  | n/a                            | n/a               |
| <b>Reporting progress - objectives</b>   | n/a  | n/a                            | n/a               |
| <b>Performance against output performance measures</b>   | Performance reporting (non-financial) <ul style="list-style-type: none"> <li>• achievements</li> <li>• operational performance</li> <li>• key initiatives</li> </ul> | FRD 22<br>FRD 27 <sup>29</sup> | 9.6, 9.7, 9.8     |
| <b>Discontinued operation</b>  | n/a  | n/a                            | n/a               |
| Performance reporting (Financial)  |  |                                |                   |
| <b>Budget Portfolio Outcomes</b>   | n/a  | n/a                            | n/a               |
| <b>Five-year financial summary</b>   | same   | FRD 22                         | 9.9               |
| <b>Current year financial review</b> <ul style="list-style-type: none"> <li>• Significant changes in financial position</li> <li>• Significant changes or factors affecting performance</li> </ul> | same   | MRO; FRD 22, FRD 27            | 9.10              |
| <b>Capital Projects</b>  | same   | MRO                            | 9.11              |

<sup>29</sup> FRD 27 only applies to water corporations.



|  |                  |                          |              |
|--|------------------|--------------------------|--------------|
| <b>Disclosure of grants and transfer payments</b>          | same             | MRO                      | 9.120        |
| <b>Subsequent Events</b>                                   | same             | FRD 22                   | 9.13         |
| <b>Part 2: Governance and Organisational structure</b>     |                  |                          | <b>Ch.10</b> |
| <b>Organisational structure &amp; corporate governance</b> | same             | FRD 22                   | 10.1         |
| n/a  | Governing board  | FRD 22                   | 10.2         |
| <b>Audit committee membership</b>                          | same             | FRD 22, SD 3.2.1         | 10.3         |
| n/a  | Board Committees | FRD 22                   | 10.4         |
| <b>Occupational Health &amp; Safety</b>                    | same             | FRD 22                   | 11.2         |
| <b>Employment &amp; Conduct Principles</b>                 | same             | FRD 22                   | 11.1         |
| <b>Part 3: Workforce data</b>                              |                  |                          | <b>Ch.11</b> |
| <b>Public sector values &amp; employment principles</b>    | same             | FRD 22                   | 11.1         |
| <b>Workforce Data</b>                                      | same             | FRD 22, FRD 29           | 11.3         |
| <b>Workforce Inclusion Policy</b>                          | same             | FRD 22                   | 11.4         |
| <b>Executive Officer data</b>                              | same             | FRD 15                   | 11.5         |
| <b>Part 4: Other Disclosures</b>                           |                  |                          | <b>Ch.12</b> |
| <b>Local Jobs First</b>                                    | same             | FRD 25                   | 12.1         |
| <b>Social Procurement Framework</b>                        | same             | SPF Reporting Guidelines | 12.2         |
| <b>Government advertising expenditure</b>                  | same             | FRD 22                   | 12.3         |
| <b>Consultancy expenditure</b>                             | same             | FRD 22                   | 12.4         |
| <b>ICT expenditure</b>                                     | same             | FRD 22                   | 12.5         |
| <b>Major contracts</b>                                     | same             | FRD 12                   | 12.6         |
| <b>Freedom of Information</b>                              | same             | FRD 22                   | 12.7         |
| <b><i>Building Act 1993</i></b>                            | same             | Building Act; FRD 22     | 12.8         |
| <b>Competitive Neutrality Policy</b>                       | same             | FRD 22                   | 12.9         |
| <b><i>Public Interest Disclosure Act 2013</i></b>          | same             | PID Act; FRD 22          | 12.10        |
| <b><i>Carers Recognition Act 2012</i></b>                  | n/a              | n/a                      | n/a          |
| <b><i>Disability Act 2006</i></b>                          | same             | Disability Act           | 12.11        |

|   |                                  |                        |       |
|---|----------------------------------|------------------------|-------|
| <b>Compliance with Other Legislation</b>                                    | Compliance with Establishing Act | Establishing Act*, MRO | 12.12 |
| <b>Emergency Procurement ★</b>  | same                             | FRD 22                 | 12.13 |
| <b>Environmental Reporting ★</b>  | same                             | FRD 24                 | 12.14 |
| <b>Additional information available on request</b>                          | same                             | FRD 22                 | 12.16 |
| <b>DataVic Access Policy</b>  | same                             | MRO                    | 12.15 |
| <b>Asset Management Accountability Framework (AMAF) maturity assessment</b> | same                             | FRD 22                 | 12.17 |
| <b>Financial management compliance attestation</b>                          | same                             | SD 5.1.4               | 13    |
| <b>Disclosure index</b>   | same                             | FRD 10                 | 16    |

## 8. Responsible Body declaration [SD 5.2.3]

The first item in the Report of Operations is the responsible body declaration.

### 8.1 Requirement

5.2.3

#### Declaration in Report of Operations<sup>30</sup>

For a public body, the Report of Operations must be signed and dated by the responsible body or a member of the **responsible body**.

### 8.2 Who is required to make this declaration?

This declaration is made by the responsible body (i.e. the board) – or a member of the responsible body (SD 5.2.3). In practice, it is a member of the responsible body - usually the **Chair** - that makes this declaration, on behalf of the board.

For an entity that is not governed by a board, this declaration is made by the accountable officer, who is the responsible body.<sup>31</sup>

### 8.3 What must be declared?

This declaration formally presents the report in accordance with requirements in the *Financial Management Act 1994*.<sup>32</sup> The wording that should be used is set out in the example below.

SD 5.2.3 requires the responsible body to **sign** and **date** the Report of Operations. A **reproduction of the signature** is required.

This declaration should **not** be combined with the Chair's report.

### 8.4 Example declaration

An example declaration is set out below.

#### Responsible Body Declaration

In accordance with the Financial Management Act 1994, I am pleased to present [[Agency name's](#)] Annual Report for the year ending 30 June 2023.

[[Signature](#)] [*Note: reproduction of signature is required*]

[[Name of Chairman i.e. John Smith](#)]

[[Position title i.e. Chairperson](#)]

[[Name of Agency](#)]

[[Date](#)] 2023

PFMCF DEECA agencies that are subject to the PFMCF are required to make a responsible body declaration in accordance with PFMCF 5.2.3.

<sup>30</sup> For a department, the accountable officer (i.e. the Secretary) makes this declaration and it is referred to as the Accountable Officer's Declaration in the Model Report.

<sup>31</sup> see footnote in SD 5.2.3. Also see p.11 MRO.

<sup>32</sup> page 11, MRO

## 9. Disclosures in Section 1 (Year in Review)

This chapter describes the disclosures that an agency is required to make in its Report of Operations, as detailed in **Section 1 (Year in Review) of the MRO**.

The 'Year in Review' section is the opening section of an agency's annual report. This section:

- articulates the agency's "vision, mission, values";<sup>33</sup>
- explains how the agency was established, and who its responsible Minister is;
- summarises *progress towards achieving its operational performance objectives* for the year, and lists its key initiatives; and
- provides an overview of the agency's financial performance, and highlights for the reader any important details in the Financial Statements (such as significant events) that might otherwise be missed.

### 9.1 Chair's Report (*optional*)

Most agencies include a Chair's Report in their Report of Operations, which is similar to the Secretary's Report in the MRO. The Chair's Report would normally follow the responsible body's declaration in the annual report.

Please note that there is **no requirement** to include either a Chair's report (or a **CEO's report**) in your agency's annual report. A signature is also not required.<sup>34</sup>

As there is no requirement to include a Chair's report in your Report of Operations, there is also **no requirements** that specify what that information must be included in that report.

However typically a Chair's or a CEO's report, where included, will:

- outline the agency's **achievements** for the year;
- refer to the **aims** of the agency for the year ahead;<sup>35</sup> and
- note **key changes** to board members and senior executives.



Most DEECA agencies include a Chair's report in their annual report. Your agency is strongly encouraged to include the Chair's report in the draft report that they provide to the department.

### 9.2 Vision, mission and values (*optional*)

The MRO states that: "The introduction [to the Year in Review section of a department's annual report] should clearly articulate the department's vision, mission and values..."<sup>36</sup>

While there is no specific obligation in the FRDs to include this information in a Report of Operations, your agency may wish to do so.

### 9.3 Manner of establishment and relevant Minister/s (FRD 22)

FRD 22 states that in its Report of Operations, your agency must identify:

- its method of establishment (which is usually a reference to the Act that it is established under)
- the relevant Minister/s for the reporting period (i.e. 1 July 2022 to 30 June 2023).

#### Relevant Ministers

The relevant Ministers for DEECA agencies are listed in the table below for the 2022-23 reporting period:

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<sup>33</sup> Page 12, MRO

<sup>34</sup> Pages 12-13, MRO

<sup>35</sup> Page 14, MRO

<sup>36</sup> Page 12, MRO

| 1 July 2022 to 4 December 2022   | 5 December 2022 to 30 June 2023  |
|--|--|
| <ul style="list-style-type: none"> <li>the Hon. Harriet Shing MP, Minister for Water</li> </ul>                            | <ul style="list-style-type: none"> <li>the Hon. Harriet Shing MP, Minister for Water</li> </ul>                                      |
| <ul style="list-style-type: none"> <li>the Hon. Jaala Pulford MP, Minister for Resources</li> </ul>                        | <ul style="list-style-type: none"> <li>the Hon. Lily D'Ambrosio MP, Minister for Energy and Resources</li> </ul>                     |
| <ul style="list-style-type: none"> <li>the Hon. Gayle Tierney MP, Minister for Agriculture</li> </ul>                      | <ul style="list-style-type: none"> <li>the Hon. Gayle Tierney MP, Minister for Agriculture</li> </ul>                                |
| <ul style="list-style-type: none"> <li>the Hon. Lily D'Ambrosio MP, Minister for Energy</li> </ul>                         | <ul style="list-style-type: none"> <li>the Hon. Ingrid Stitt MP, Minister for Environment</li> </ul>                                 |
| <ul style="list-style-type: none"> <li>the Hon. Lily D'Ambrosio MP, Minister for Environment and Climate Action</li> </ul> | <ul style="list-style-type: none"> <li>the Hon. Lily D'Ambrosio MP, Minister for State Electricity Commission of Victoria</li> </ul> |

## Example disclosures

The Royal Botanic Gardens Board is established under the Royal Botanic Gardens Act 1991. The responsible Minister for the period from 1 July 2022 to 4 December 2022 was the Hon. Lily D'Ambrosio MP, Minister for Environment and Climate Action, and from 5 December to 30 June 2023 is the Hon Ingrid Stitt MP, Minister for Environment.

Where there was **more than one** responsible Minister during the reporting period then **both** Ministers must be named in the disclosure, with the relevant dates they held that office.

Where **two Ministers** have joint responsibility for a body, **both** Ministers must be listed in their Report of Operations.

Corangamite Catchment Management Authority is established under the *Catchment and Land Protection Act* 1994. The responsible Ministers for the period from 1 July 2022 to 4 December 2022 are the Hon Harriet Shing MP, Minister for Water and the Hon. Lily D'Ambrosio MP, Minister for Environment and Climate Action, and effective from 5 December 2023 to 30 June 2023 was the Hon Harriet Shing MP, Minister for Water and the Hon Ingrid Stitt MP, Minister for Environment.

X2

Your agency must also disclose 'the names of the relevant Ministers at any time during the reporting period' in its 'Responsible Persons' disclosure, in its Financial Statements (see paragraphs 4.1 and 4.2 of FRD 21).

DEECA entities are generally not required to include periods of time when another Minister acted for the responsible Minister in their reports, except if there was a particularly lengthy period that an acting arrangement was in place.<sup>37</sup>

Both FRD 21 and FRD 22 are legal requirements and therefore two similar (but not identical) disclosures must be made – one in the Report of Operations and one in the Financial Statements.

## 9.4 Nature and range of services provided (FRD 22)

Details of your agency's **nature and range of services (including the communities served)** must be included in its Report of Operations. The CEO's or Chairperson's report often provides this information, or it is highlighted early in the Report of Operations. It gives the reader a clear idea of what the agency does. The key information provided should answer the following questions:

- What does your agency do? (i.e. what types of services does it provide?)
- Who are your customers and key stakeholders?

<sup>37</sup> For example in 2021, the Minister for Water took over 6 months leave. In this instance, it would be appropriate to for an entity in the Water portfolio to also include the name and dates of the acting Minister (to the extent that it occurred within the financial year).

## 9.5 Objectives, functions, powers and duties (FRD 22)

Your agency's Report of Operations must outline its **purpose** (i.e. **objectives**), **functions**, **powers** and **duties**.<sup>38</sup> This information can usually be taken from your agency's establishing Act.

Note: This information must also be linked to your agency's performance (see 9.6 below).

## PERFORMANCE REPORTING — NON-FINANCIAL

Your agency is expected to report on its operational performance during the reporting period in its Report of Operations.

The **source** of an agency's performance reporting requirement will vary depending on the agency.

**FRD 22** contains **three key performance reporting requirements** that apply to **all** agencies:

- **Achievements** [see 9.6]
- **Operational performance** [see 9.7] (or '*Performance against Objectives*')
- **Key initiatives** [see 9.8]

These requirements are addressed in the one disclosure. An example is in the MRO.

- Some agencies have **additional** performance reporting obligations specified in Ministerial Directions, Ministerial Statements of Expectations or similar. (e.g. FRD 27 – for water corporations)
- Your agency's **business or corporate plan** may also contain performance targets that your agency committed to achieving in the reporting period.

## 9.6 Achievements (FRD 22)

FRD 22 requires your agency to summarise, in its Report of Operations:

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"its **activities, programs and achievements** for the reporting period, which must be linked to your agency's **objectives, functions, powers and duties**."<sup>39</sup>

## 9.7 Operational performance (FRD 22)

FRD 22 requires your agency to include in its Report of Operations:

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'...a summary of its **operational objectives** for the reporting period, its **actual performance** against those objectives, and significant achievements'.<sup>40</sup>

In other words, it must state:

- what its performance **targets** were for the reporting period (i.e. the performance targets that it committed to in its corporate/business plan at the start of the year); and
- how your agency **actually performed** against those targets (or objectives) during the reporting period.

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<sup>38</sup> FRD 22.5.4(b)

<sup>39</sup> FRD 22.5.5. (Also see 9.5 above)

<sup>40</sup> FRD 22.5.11(c),

'Operational objective'

means a performance target that your agency committed to achieving in the relevant year, that relates to operational matters (as distinct to financial matters).

## Where do I find my agency's 'operational objectives'?

Your agency's **operational** objectives for the reporting period will generally be set out in its annual business plan (or similar document).

This document should also set out the performance indicators or targets that your agency committed to achieving during the reporting period. Some agencies may also have additional objectives and associated performance targets in Ministerial Directions or Statements of Expectation.

## Presentation

Information should be presented in **tables**, following a layout similar to that used in the MRO, to the extent applicable. Diagrams, charts or graphs may also be useful in presenting the information.

## Explaining your agency's performance

Agencies are expected to:

- **adopt a system** that indicates the **extent of underachievement** or **overachievement of targets** when reporting on their performance, in a manner similar to departments (such as the '**Key to Results**' below)

Key to result

✓ = performance target achieved or exceeded or expected to be achieved

■ = performance target not achieved — exceeds 5% variance.  
(Note this is a significant variance that requires an explanation) <sup>41</sup>

○ = performance target not achieved — within 5% variance.

- explain the **variances** between targets and actual results
- explain all **significant and material variances** in their performance reporting, in the same manner as departments. (i.e. include appropriate commentary to explain all significant or material variances (both positive and negative) between an agency's targets and actual results).

'significant and material variance'

means a variance between target and actual results of greater than **5% increase or decrease**.

## 9.8 Key initiatives and projects (FRD 22)

When reporting on its operational performance, your agency is also required to summarise its key initiatives and projects.

### Requirement

FRD 22.5.7

'There shall be disclosures of the entity's **key initiatives and projects**, including **significant changes** in key initiatives and projects from previous years and its **expectations** for the future.'

## What information must be disclosed?

An agency should include the following information when reporting on its operational performance:

- its **key initiatives** and **projects** for the reporting period (as identified in its strategic plan or corporate plan);<sup>42</sup>

<sup>41</sup> The criteria applicable to departments when explaining significant or material variances are explained in FRD 8 and in the Model Report on pages 23-25.

<sup>42</sup> Page 19, Model Report



- its **performance** on those initiatives and projects during the reporting period (i.e. discuss the outcomes achieved on those key initiatives and projects during the year)
- details of **any significant changes** to the key initiatives and projects that have been previously disclosed or reported on by your agency, and which will have a **material impact on the outcomes or results**, including timeline, scope and costs.
- **expectations** for future periods.
- A **separate** 'key initiatives' disclosure is not required. Instead, this disclosure can be integrated into the Performance Reporting section of your agency's Report of Operations, to "enhance the performance story".

## Example disclosure – Performance Reporting (non-financial)

In the absence of a specific requirement detailing how to report on their performance, agencies are expected to make disclosures on their performance during the reporting period containing a similar level of detail to the example disclosure on page 19 of the [2022-23 Model Report](#).



The manner in which water corporations are expected to report on their performance (non-financial) is set out in FRD 27, which requires an audited statement of performance to be included in their Report of Operations.

# PERFORMANCE REPORTING - FINANCIAL

## 9.9 Five-year financial summary

FRD 22 requires your agency's financial results for this reporting year **and** the previous four years (i.e. five in total) to be provided in a summary format in its Report of Operations.

## Example disclosure (minimum)

| Five-Year Financial Summary   |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
|   | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|   | \$      | \$      | \$      | \$      | \$      |
| Operating revenue   |         |         |         |         |         |
| Government contributions  |         |         |         |         |         |
| Other revenue   |         |         |         |         |         |
| Total revenue   |         |         |         |         |         |
| Administration  |         |         |         |         |         |
| Corporate expenditure   |         |         |         |         |         |
| Project expenditure   |         |         |         |         |         |
| Total expenditure   |         |         |         |         |         |
| Current assets  |         |         |         |         |         |
| Non-current assets  |         |         |         |         |         |
| Total assets  |         |         |         |         |         |
| Current liabilities   |         |         |         |         |         |
| Non-current liabilities   |         |         |         |         |         |
| Total liabilities   |         |         |         |         |         |
| <b>Notes:</b> [include notes to explain any inclusions/exclusions etc.] |         |         |         |         |         |

## 9.10 Current year financial review

In addition to the five-year summary of your agency's financials, your agency must also **summarise its financial results** for the current reporting period in its Report of Operations.<sup>43</sup>

### What information should be disclosed?

This section should include:

- a **discussion** and **analysis** of your agency's operating results and financial position.<sup>44</sup>
- a summary of its performance against its budgetary objectives for the reporting period.<sup>45</sup>
- a summary of any **significant changes** in your agency's **financial position** during the year (see 0 below);
- identify any **significant changes or factors** affecting your agency's **performance** during the reporting period (see below).

This section of your Report of Operations should **complement** the information presented in the Financial Statements by providing an '**explanation** and **analysis** of the agency's performance, financial position and cash flow through an **objective** and balanced discussion and analysis'. **It is not optional.**

Your agency's discussion of its financial results should be:

- comprehensive

<sup>43</sup> Para. 5.11(a) and 5.12 of FRD 22.

<sup>44</sup> Para. 5.12, FRD 22

<sup>45</sup> Para. 5.11(c), FRD 22

- adopt a narrative form written in a clear style
- be supported by “figures and graphics that assist understanding of the matters discussed.”<sup>46</sup>

## Significant changes in financial position (FRD 22)

A summary of any **significant changes** in your agency’s **financial position** during the year must be detailed in its Report of Operations. Your agency should outline the **changes** and the **reasons** for those changes.<sup>47</sup>

You do not need to include a **separate** disclosure in your report of operations of any significant changes in financial position. However your agency must still disclose this information in its Report of Operations.

- Your agency must also list this disclosure in your disclosure index, with a cross reference to the page in your Report of Operations on which you made this disclosure.<sup>48</sup>

## Significant changes or factors affecting performance (FRD 22)

Any **significant changes** or **factors** affecting your agency’s performance during the reporting period must be detailed in its Report of Operations, as part of its analysis of its performance.

- This discussion should identify:
- what changes or factors were significant;
- the **reasons** why your agency’s performance was affected;
- **how** your agency was affected;
- what your agency did to **mitigate or address** these affects.

You do not need to include a **separate disclosure** in your report of operations of any significant changes or factors affecting your agency’s performance or financial position. However your agency must **still disclose** this information in its Report of Operations.

- This disclosure must also be listed in your disclosure index, with a cross reference to the page in your Report of Operations on which you made this disclosure.



Water corporations are required to describe their performance against key financial performance indicators as set out in FRD 27.

## 9.11 Capital Projects (MRO) (*only water corps & similar*)

### Who is required to make a capital projects disclosure?

If your agency manages any capital projects, then it must include a capital projects disclosure in its Report of Operations. This disclosure should either:

- be a ‘**nil disclosure**’ – (see below); or
- be a more ‘**detailed**’ **disclosure** (see below) - if your agency has **completed** a capital project in 2022-23 that exceeded the disclosure threshold of **\$10 million** Total Estimated Investment (TEI).



Entities such as the **water corporations, Parks Victoria, Phillip Island Nature Park Board of Management, Great Ocean Road Coast and Parks Authority** and **Alpine Resorts Victoria** may be responsible (whether alone or with DEECA) for managing a capital project. New, existing or completed capital projects are listed in the 2022-23 Budget Paper 4 (State Capital Program)<sup>49</sup> if that project has a TEI of \$1 million or more.

<sup>46</sup> Page 18, Model Report

<sup>47</sup> FRD 22.5.11(b),

<sup>48</sup> As advised by DTF in June 2019, and as reflected in the Model Report.

<sup>49</sup> <https://www.dtf.vic.gov.au/2022-23-state-budget/2022-23-state-capital-program>

## Which capital projects must be disclosed?

A capital project must be disclosed in your agency's Report of Operations if:

- it is **funded** through the **State budget**; and
- it has a **Total Estimated Investment (TEI) of \$10 million or more** (total funding from all sources for the overall project); and
- it is reported as being practically completed *within* the reporting period.

This disclosure should be in the format prescribed by **Table 1** of the Model Report.<sup>50</sup>

If your agency has previously reported the practical completion of a capital project, and there is a **subsequent material variance** in the expenditure amount which was reported in that prior year, then your agency must make an **additional** disclosure about the **financial** completion of that capital project in the form set out in **Table 2** of the Model Report (see the example disclosure below).

## What information should be disclosed?

The information in the table below should be included in your disclosure, for each project that achieved *practical* completion in the reporting period.

**Table 1 - Information to include in your disclosure - For a capital project that reached practical completion in 2022-23**

|  |
|--|
| Project Name <sup>51</sup>   |
| Original completion date   |
| Latest approved completion date  |
| Practical completion date  |
| Reason for variance in completion dates                                    |
| Original approved Total Estimated investment (TEI) budget (\$ million)     |
| Latest approved TEI budget (\$ million) <sup>52</sup>                      |
| Actual TEI cost (\$ million) <sup>53</sup>                                 |
| Variation between actual cost and latest approved TEI budget <sup>54</sup> |
| Reason for variance from latest approved TEI Budget                        |

Your disclosure must also contain a reference or link for the reader to further information about capital projects managed by your agency, contained in the Department of Treasury and Finance's most recent Budget Paper 4 State Capital Program (BP 4).<sup>55</sup>

A table 2 disclosure – with the information set out below – is only required if there has been a **significant material variation** in expenditure on a capital project that your agency has previously reported.

<sup>50</sup> Page 28, MRO

<sup>51</sup> The project name should be identical to the name in BP4.

<sup>52</sup> This is the latest approved (or budgeted) TEI endorsed by government.

<sup>53</sup> i.e. the actual cost to deliver the project

<sup>54</sup> i.e. the difference between the actual cost to deliver the project and the latest approved (or budgeted) TEI endorsed by government.

<sup>55</sup> BP4 and all current Victorian Government Budget Papers are available at: <https://www.budget.vic.gov.au/budget-papers#budget-paper-2-strategy-and-outlook>. BP4 provides an overview of the investments that departments and government-controlled entities will deliver in the coming financial year. It also includes capital programs and projects currently under way or in progress, and lists projects expected to be completed in the coming year.

**Table 2 – Capital projects reaching financial completion during year ended 30 June 2023**

|  |
|--|
| Project Name   |
| Practical completion date                                    |
| Financial completion date                                    |
| Original approved TEI (a) budget (\$ million)                |
| Latest approved TEI budget (\$ million)                      |
| Actual TEI cost (\$ million)                                 |
| Variation between actual cost and latest approved TEI budget |
| Reason for variance from latest approved TEI Budget          |

## What if a project is managed by multiple agencies?

Where a project is handled across multiple agencies within the same portfolio department, the **portfolio department** for the agency that owns the asset should report the project in their capital projects disclosure in their annual report. DEECA's contact for this purpose is Joel Townsend, Manager, Portfolio Budget Co-ordination, contact [pefinance@delwp.vic.gov.au](mailto:pefinance@delwp.vic.gov.au).<sup>56</sup>

## Definitions

|                                |   |
|--------------------------------|---|
| 'practical completion'         | 'practical completion' occurs when construction is complete, and the asset has been handed over to the agency. <sup>57</sup>  |
| 'financial completion'         | 'financial completion' occurs when the warranty/defects liability period ends, which may occur after practical completion.  |
| 'subsequent material variance' | A 'subsequent material variance' is a variance of: <ul style="list-style-type: none"> <li>• greater than 5% or</li> <li>• more than a \$50 million increase or decrease.</li> </ul> |

## Example disclosure – nil report

Where your agency is responsible for managing a capital project, but a detailed disclosure is not required, then your agency must still include an explicit '**nil reports**' statement in its Report of Operations – with a reason. An example 'nil report' disclosure is set out below.

Appropriate reasons for a nil report, include:

- no projects were completed during the financial year,
- the TEI of the one capital project managed by your agency did not exceed the \$10 million disclosure threshold; or
- the TEI of none of the capital projects managed by your agency that were completed during the financial year exceeded the disclosure threshold of \$10 million.

### Capital Projects

[Agency name] manages [two] capital projects. Neither of these capital projects were completed during the reporting period.

For information on recent capital projects managed by [Agency name] and the broader Victorian public sector, please refer to the most recent Budget Paper No. 4 State Capital Program (BP4) available on the Department of Treasury and Finance's website at this link <https://www.budget.vic.gov.au/budget-papers>

<sup>56</sup> Current as at June 2023

<sup>57</sup> Page 29, MRO

Agencies that **do not manage any capital projects** are not required to make a capital projects disclosure.

## Example disclosure – detailed

The example capital projects disclosure (below) shows an agency which had one capital project that achieved practical completion in the reporting period.

### Capital Projects

[Agency name] manages a number of capital projects.

For information on recent capital projects managed by [Agency name] and the broader Victorian public sector, please refer to the most recent Budget Paper No. 4 State Capital Program (BP4) available on the Department of Treasury and Finance's website at this link: <https://www.budget.vic.gov.au/budget-papers>.

During the year ending 30 June 2023, [one] capital project that [Agency name] is responsible for with a Total Estimated Investment (TEI) of \$10 million or greater, reached practical completion. Details are set out in the table below.

**Table 1: Capital projects reaching practical completion during the year ended 30 June 2023**

| Project Name         | Original completion date | Latest approved completion date | Practical completion date | Reason for variance in completion dates             | Original approved TEI <sup>(a)</sup> budget (\$ million) | Latest approved TEI budget (\$ million) | Actual TEI cost (\$ million) | Variation between actual cost and latest approved TEI budget | Reason for variance from latest approved TEI Budget                                    |
|----------------------|--------------------------|---------------------------------|---------------------------|---|--|---|------------------------------|--|--|
| Anti-virus IT system | April 2023               | June 2023                       | May 2023                  | Installation of system completed ahead of schedule. | 9  | 10                                      | 8                            | (2)  | The variance relates to suitable hardware being sourced more cheaply than anticipated. |

Table 2 below is an example of the additional disclosure that is required if there has been a material variance in a capital project that your agency has previously reported as being practically complete.

Table 2 illustrates that although the project reached its practical completion date in the prior year, there was additional material expenditure in the current year prior to reaching its financial completion date. The **'financial completion date'** is the date after which no further claims will be recognised, and no further expenditure can be made).

**Table 2: Capital projects reaching financial completion during the year ended 30 June 2023**

| Project Name | Practical completion date | Financial completion date | Original approved TEI <sup>(a)</sup> budget (\$ million) | Latest approved TEI budget (\$ million) | Actual TEI cost (\$ million) | Variation between actual cost and latest approved TEI budget | Reason for variance from latest approved TEI Budget |
|--------------|---------------------------|---------------------------|--|---|------------------------------|--|---|
|--------------|---------------------------|---------------------------|--|---|------------------------------|--|---|

|                                     |          |           |    |    |    |     |   |
|-------------------------------------|----------|-----------|----|----|----|-----|---|
| Water quality improvement (Geelong) | May 2022 | July 2022 | 15 | 16 | 14 | (2) | The variance relates to suitable materials being sourced more cheaply than anticipated. |
|-------------------------------------|----------|-----------|----|----|----|-----|---|

## 9.12 Disclosure of grants and transfer payments (MRO)

If your agency provided grants or financial assistance to other companies or organisations during the reporting period, then it should make a disclosure of its grants in its Report of Operations consistent with the disclosure in the MRO (at page 30-31) that a department is required to make. The MRO states that:

“There is little detailed coverage of grant programs in the annual reports of government departments and agencies. Accountable reporting for the expenditure of grant funds and delivery of grant program outcomes needs to be informative and more extensive than in previous years.”

### What information should be disclosed?

The MRO recommends that the following information be in an agency's disclosure in its Report of Operations:

- the name of the recipient organisation that your agency provided a grant to (full legal name and any ABN).
- the total amount of financial assistance provided by your agency to the recipient organisation in the reporting period.
- a brief description of the purpose and nature of grant.

### What is a grant?

As the definition of a **'grant'** in the MRO (on page 31) applies to a **department**, DEECA Finance recommends that you refer to the following definition instead:

|                |   |
|----------------|---|
| <b>'grant'</b> | <b>Grant</b> means “any monies allocated to any government entity (including general government entities and public non-financial corporations), third party or parties outside the public sector and at the discretion of an agency, with recipients required to use the monies for the specific purposes outlined in the particular funding agreement”. <sup>58</sup> |
|----------------|---|

For further details about grants, please refer to AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* and the MRO.

### Example disclosure

<sup>58</sup>. As advised by Allison Wilson in DEECA Finance and Planning in April 2016 and 2019.



#### Grants and transfer payments

[Agency name] has provided grants to certain companies and organisations as part of the Small Business Grants Program, which [agency name] is responsible for administering, together with other agencies, in accordance with section 100 of the *Small Business Incentives Act 2012*. Grants provided to small businesses in 2022-23 for the purposes of encouraging research and development into new waste reduction technologies were as follows:

#### *Small Business Grants Program - Round 1 (1 September 2022)*

| Organisation                     | Description                  | Payment \$ |
|----------------------------------|------------------------------|------------|
| ABC Pty Ltd (ACN XXX XXX XXX)    | [R&D project - technology 1] | xxxx       |
| Society of BBY (ABN XXX XXX XXX) | [R&D project - technology 2] | xxxx       |

## 9.13 Subsequent events (FRD 22)

Agencies are required to disclose any subsequent events in their Financial Statements.

If your agency has disclosed a subsequent event in its Financial Statements, then a **summary** of those events **must also** be included in its **Report of Operations**, with a **cross reference** to the Financial Statements.

### What is a subsequent event?

A 'subsequent event' is an event that **may significantly affect** the agency's **operations** in the **subsequent** reporting period (i.e. in the next year). It does not include events whose financial effects have already been taken into account.

While the annual report relates to a financial year, the subsequent events disclosure relates to the **period between the end of the financial year** (i.e. 30 June, for agencies with an EOFY of 30 June) and the date **that the report is signed off by your agency**.



Caution: When determining if an event is a subsequent event, ensure that the event has taken place in the relevant period described above (and not, for example, after the date that the report is signed off by your agency).

For further details on subsequent events, please refer to **Note 9.12** in the MFS.

### What is the date that a report is signed off by agency?

This is the date that your agency's financial statements were authorised.

### What must be disclosed?

The disclosure in your agency's Report of Operations must contain a **summary** of **each subsequent event**, with a **cross - reference** to their disclosure in their Financial Statements.

### Example disclosures

Two different example disclosures are set out below.

#### **Subsequent events**

On 1 August 2023, subsequent to the reporting report, [agency name] announced its intention to implement a major restructuring of its Customer Service division. Further details are provided in Note 9.11 to the Financial Statements.

#### **Subsequent events**

On Wednesday 16 August 2023, the board appointed Ms Johanna Smith as the new CEO. As a result of the appointment, Ms Smith will be the Accountable Officer for the Authority from 18 September 2023. For further details see Note 9.11 to the Financial Statements.

## Nil disclosure

Where there were no subsequent events, a nil response disclosure **must be** included in the Report of Operations (see example below).

#### **Subsequent events**

There were no events occurring after the balance date which may significantly affect the [agency name]'s operations in subsequent reporting periods.

## 10. Disclosures in Section 2 (Governance and Organisational Structure)

This chapter provides guidance to a DEECA agency on how to make the disclosures in **Section 2 (Governance and Organisational Structure)** of the MRO and explains any differences between an agency's and a department's disclosures.

### 10.1 Organisational structure (FRD 22)

An organisational chart showing your agency's **board, audit committee, chief executive officer** and senior officers — and their responsibilities — is required by FRD 22.

The **names** and **functional areas of senior officers** should be included as part of an organisation chart outlining the structure of the agency. If text is required to describe a functional area, the chart should at least have the officers' names and titles followed by that text.

Organisational charts should be sufficiently detailed to enable users to determine who is accountable for your agency's main activities.

A graphical representation is required, as it often better represents the reporting lines within the organisation than text would.

No photographs of senior officers or board members are required or expected.



'Senior officers' is not defined in FRD 22; however, it is adequate to identify those persons and roles reporting directly to the CEO.

### 10.2 Governing board (FRD 22)

FRD 22 requires the **names** of all of your agency's board members, for the reporting period, to be listed in the annual report.



It is recommended that your agency's Report of Operations includes the following information about its governing board:

- a brief description of the board's role, this is typically detailed in an agency's establishing legislation
- the **names** of each board member, their **position** and their **term** of appointment (Note: this information must be included for each person that held a position on the board during the reporting period, regardless of the length of their term)
- a **very short** biography of each board member
- details of **board meeting attendance** for each board member.

### 10.3 Audit committee membership and roles (SD 3.2.1 & FRD 22)

The names of all **members** of your agency's audit committee during the reporting period must be included in its Report of Operations.<sup>59</sup>

The members of the audit committee that your agency has determined are **independent** must be clearly identified **in this disclosure**.<sup>60</sup> Section 4.4 of this guide explains when an audit committee member is regarded to be 'independent'.<sup>61</sup> This is something that should be reviewed regularly.

<sup>59</sup> FRD 22.5.4(d)

<sup>60</sup> See page 34, MRO

<sup>61</sup> see SD 3.2.1.1 & SD 3.2.1.3(f)

## Example disclosure

### Audit Committee membership and roles

The members of the audit committee in 2022-23 are detailed in the table below.

The audit committee's responsibilities are set out in Standing Direction 3.2.1.1. Key responsibilities are to:

- review and report independently to the board on the annual report and all other financial information published by [agency name];
- assist the board in reviewing the effectiveness of [agency name]'s internal control environment covering: effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations;
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors;
- maintain effective communication with external auditors, consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised;
- oversee the effective operation of the risk management framework.

Members are appointed by the board, usually for a three-year term, and are subject to the committee's terms of reference.

Meetings are held quarterly and at any other time on request of a committee member or the internal or external auditor. In 2022-23, the committee met [seven] times. Attendance of committee members is detailed in the table below.

### Audit and Risk Committee membership and meeting attendance 2022-23

| Name                          | Independent? | term                         | Attended | Eligible to attend |
|-------------------------------|--------------|------------------------------|----------|--------------------|
| Abigail Abrams<br>Chairperson | ✓            | 1 July 2022 to 30 June 2025  | 7        | 7                  |
| Benjamin Brown                | ✓            | 1 July 2022 to 30 June 2025  | 6        | 7                  |
| Carol Cooper                  |              | 1 May 2023 to 30 June 2025   | 1        | 1                  |
| Darius Darko                  | ✓            | 1 July 2022 to 30 June 2024  | 7        | 7                  |
| Eliza Edwards                 | ✓            | 1 July 2021 to 30 June 2024  | 7        | 7                  |
| Frank Fitzburg                |              | 1 July 2021 to 30 June 2024  | 5        | 7                  |
| Garry Gleeson                 |              | 1 July 2021 to 30 April 2023 | 6        | 6                  |

## 10.4 Board committees (FRD 22)

It is recommended that the **names** of the members of your board's major committees during the reporting period be included in the Report of Operations.

It is good practice to also include a brief description of the **purpose** of each committee.

Note that FRD 22 also requires your agency to make available to the public on request “information on its major committees, including: “the purposes of each major committee and the extent to which the committee has achieved its purpose”.<sup>62</sup>

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<sup>62</sup> For details, see DTF’s guidance material on FRD 22 at this link:  
<https://www.dtf.vic.gov.au/sites/default/files/document/Guidance%20FRD%2022%20Additional%20information%20available%20on%20request.docx>

# 11. Disclosures in Section 3 (Workforce Data)

This Chapter discusses the disclosures that an agency is required — or expected — to make in its Report of Operations, as detailed in **Section 3 (Workforce Data)** of the MRO.

## 11.1 Public Sector Values and Employment Principles (FRD 22)

Your agency must include in its annual report “a general statement on the **application of employment and conduct principles**” in your agency.<sup>63</sup>

### What are the “employment principles” and “conduct principles”?

|                                       |   |
|---------------------------------------|---|
| ‘employment principles’ <sup>64</sup> | ‘ <b>employment principles</b> ’ means the <b>public sector employment principles</b> enshrined in section 8 of the <i>Public Administration Act</i> 2004 (PAA) which are that: <ul style="list-style-type: none"><li>• employment decisions are based on merit</li><li>• public sector employees are treated fairly and reasonably</li><li>• equal employment opportunity is provided</li><li>• human rights as set out in the Charter of Human Rights and Responsibilities are upheld</li><li>• public sector employees have a reasonable avenue of redress against unfair or unreasonable treatment.</li></ul> |
| ‘conduct principles’                  | ‘ <b>conduct principles</b> ’ means the <b>public sector values</b> in s.7, PAA, which are: Responsiveness, Integrity, Impartiality, Accountability, Respect, Leadership and Human rights.  |

This obligation in FRD 22 requires your agency to **demonstrate**, in a **practical way**, how these **values and principles are applied** within the agency.

To demonstrate how your agency has applied these values and principles, it could, for example, describe, how, during the reporting period, it has:

- adopted employment policies that are consistent with the public sector employment principles;
- conducted employee training or induction training in areas relevant to the public sector values (e.g. Leadership training);
- adopted organisational values that are consistent with the public sector values or reviewed its existing values;
- introduced policies and practices that are consistent with the employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues; and
- advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

### Further information

Refer to [VPSC’s website](#) for details about the principles and standards.

## 11.2 Occupational Health and Safety (FRD 22)

### Requirement

FRD 22.4.2 requires an entity to include a **statement on OH&S matters** in its report of operations, including appropriate performance indicators and how they affect outputs.

<sup>63</sup> FRD 22.5.8

<sup>64</sup> An additional principle applies to agencies that are a public service body: “the development of a career public service is fostered (s.8(e))”



FRD 22.4.2

“General information shall include a statement on occupational health and safety (OH&S) matters, including appropriate performance indicators and how they affect outputs”.<sup>65</sup>

FRD 22.5.10 explains what information should be included in its OH&S disclosure:

FRD 22.5.10

An entity's statement on occupational health and safety matters shall identify the performance indicators adopted to monitor such matters and outline the entity's performance against those indicators.

As a **minimum**, the following shall be reported:

- (a) the number of reported hazards/incidents for the year per 100 full-time equivalent staff members;
- (b) the number of 'lost time' standard claims for the year per 100 full-time equivalent staff members;
- (c) the average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe);
- (d) a minimum of two prior years' data on these indicators and explanations for significant variations from one year to the next; and
- (e) in the event of a fatality, a discussion of the circumstances that led to the fatality and the preventive measures that have been taken to prevent recurrence. If the fatality is under investigation or subject to an inquiry, a statement to that effect shall be included.

**In summary**, an entity's OH&S statement in its report of operations must:

- identify the **key performance indicators** (KPIs) your agency has adopted to monitor OH&S matters, which must include at a minimum, the KPIs listed in FRD 22.5.10; and
- outline your agency's **actual performance** against those indicators.

A minimum of **two prior years' data** must be provided on each indicator.

An agency's OH&S disclosure must also include:

- general **commentary** on programs initiatives and policies; and
- an explanation for any **significant variations** from one year to the next.<sup>66</sup>

These are both explained in more detail below.

## Commentary on programs and initiatives

Your OH&S disclosure should **also** include:

- “General commentary on **programs or initiatives** that have a **significant impact on OH&S incidents** between the **current** and **previous** reporting period.”<sup>67</sup>
- An overview of your agency's OH&S policies, commitments and programs, including details of any training provided or assessments completed during the year.

## Explain significant variances

Your agency is also required to explain **significant variances** between:

- the number of reported hazards/incidents for the year;
- the number of 'lost time' standard claims for the year; and

<sup>65</sup> FRD 22.4.2

<sup>66</sup> FRD 22.5.10(d)

<sup>67</sup> page 38, Model Report

- the average cost per claim for the year, including payments to date plus an estimate of outstanding claim costs as advised by WorkSafe.”<sup>68</sup>

## Example disclosure

An example disclosure is set out in the Model Report.

## Use of appendices

Due to the length of a typical OH&S disclosure, you may wish to consider structuring your disclosure as a **short summary** in the body of the Report of Operations, which cross-references to a detailed disclosure contained in an appendix.

Do not put your **entire** OH&S disclosure in an appendix.

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<sup>68</sup> page 38, Model Report.

## 11.3 Workforce data (FRD 22 and FRD 29)

All DEECA entities that employ staff are required to disclose “**workforce data**” for the current and previous reporting period in their Report of Operations.

However the **level of detail** that must be reported varies depending on the entity, as does the **source** of this requirement (FRD 22 and/or FRD 29) – as summarised in the table below.

All DEECA entities that employ staff should also report on the gender of their workforce in a manner that is consistent with the *Public Sector Staff Gender Information Policy* (discussed in more detail below).

**Table 1 – Application of FRD 22 and FRD 29B to DEECA entities**

| Requirement                                   | Small DEECA agency<br>employs < 50 staff   | Large DEECA agency<br>employs > 50 staff  | For EPA & SV<br>employs VPS staff <sup>69</sup> |
|---|--|---|---|
| FRD 22  | ✓  | ✓   | ✓   |
| FRD 29  | X  | X<br>However large DEECA agencies are expected to include a workforce data disclosure with a similar level of detail to FRD 22. | ✓   |
| Public Sector Staff Gender Information Policy | X<br>Don't report on the gender of your workforce in your annual report in a manner that can identify an individual<br>✓<br>Otherwise have implemented the Public Sector Staff Gender Information Policy | ✓   | ✓   |
|   | See (1) below  | See (2) below   | See (3) below                                   |

### Reporting the gender of your workforce

All DEECA entities that employ staff should have fully implemented the *Public Sector Staff Gender Information Policy*.<sup>70</sup> However small entities should take care when deciding whether or not to report on the gender of their workforce to not report in a manner that can identify an individual.

The *Public Sector Staff Gender Information Policy* requires public sector agencies to:

- collect self-identified gender information from employees, and not biological sex information; and
- report on non-binary gender; and
- use the **Standard Model** (in Appendix 1 of that policy) for collecting staff gender information unless there is a specific reason to use a different model, which has a clear benefit and is well-communicated to staff.

The Standard Model asks the respondent to describe their gender, and offers **three answer options**: ‘woman,’ ‘man,’ and ‘self-described’. The self-described option should include a free text space for

<sup>69</sup> i.e. For an entity that employs staff under Part 3 of the PAA

<sup>70</sup> [Policy and Standard Model for Collecting Staff Gender Information - Victorian Public Sector.](#)

employees to specify their gender in their own terms. When reporting on gender information collected through this mode, all free text responses should be reported under the 'self-described' category.

Where an entity does **not** have a **legal** obligation to collect or report the information, respondents are required to provide a **fourth option**: 'prefer not to respond'.



- Please note that the privacy of all employees must be strictly protected at all times.
- Agencies should take care when reporting on the number of employees that identify their gender as being 'self-described' to ensure that the individual is not readily identifiable. This will specifically affect small agencies with few staff but will also affect larger agencies if reporting on the gender of employees by cohort (e.g. by classification).
- DEECA People and Culture recommends avoiding the reporting of the gender of employees if a cohort or data set has **a small number of people** in it, as this may mean that an individual is identifiable, particularly when that information can be combined with other available information.

## (1) Small DEECA agency [< 50 staff]

All agencies and departments are required to comply with FRD 22.

FRD 22 requires your agency to include, in its Report of Operations:

- **workforce data** for both the current and previous financial years; and
- a **statement** that employees have been **correctly classified** in workforce data collections.

The **minimum** workforce data requirements:

- 2 years' workforce data (as per the last payroll period for both the current and previous financial years), separated by;
- the number of staff - both headcount and FTE; and
- the employee classification levels used by your agency.
- You must also include this statement:

"Employees have been correctly classified in workforce data collections."

This data must be accompanied by a **high-level commentary** explaining the data and any **significant changes**.

Notes should explain any terms used should and any inclusions or exclusions.



For entities that employ less than 50 employees (headcount), DEECA does not recommend that you report on the gender of your workforce in your annual report, due to privacy concerns. However these entities should otherwise have fully implemented the *Victorian Public Sector Staff Gender Information Policy*.

## Example disclosure - small DEECA agency

For a small agency, the example disclosure below shows the **minimum** workforce data that your agency must disclose in its Report of Operations, in order to comply with FRD 22.

### Workforce data

On 30 June 2023:

- [Agency name] employed [five] staff ([4.8] full time equivalent), compared to [seven] staff ([6.2] full time equivalent) on 30 June 2022.

[Include other relevant statistics / commentary.]

All employees, except executives, are covered by the [Agency name] Enterprise Agreement [year].

Employees have been correctly classified in workforce data collections.

|                      | 2022-23            |     | 2021-22            |     |
|----------------------|--------------------|-----|--------------------|-----|
| Classification       | Number (headcount) | FTE | Number (headcount) | FTE |
| Executives           | 1                  | 1   | 1                  | 1   |
| Senior managers      | 0                  | 0   | 1                  | 1   |
| Administration staff | 1                  | 0.8 | 1                  | 0.4 |
| Field staff          | 3                  | 3   | 4                  | 3.8 |
| Total                | 5                  | 4.8 | 7                  | 6.2 |

#### Notes:

- All figures reflect employment levels during the last full pay period in June of each year.
- Excluded from workforce data include: employees on leave without pay or absent on secondment, graduates, external contractors/consultants and temporary staff employed by employment agencies
- Ongoing employees includes people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.
- [Include appropriate definitions for any terms used to classify employee types (e.g. 'Administration staff' means ... 'Senior Managers' refers to ..) and any other terms used (e.g. 'FTE')]



You must explain how your agency classifies staff! Workforce data is meaningless if you do not define the terms used. Your classification method, and the definitions that you use, should generally be the same from year to year. Any changes should be clearly explained.

If your agency has an Enterprise Bargaining Agreement, then you should be able to locate a copy of it on the Fair Work Commission's website.<sup>71</sup>

## (2) Large DEECA agencies [>50 non-VPS staff]

DEECA agencies that employ more than 50 non-VPS staff (by headcount)<sup>72</sup> are required to disclose workforce data in their Report of Operations in accordance with FRD 22.

However agencies may provide **additional** information, above the minimum required information.

DEECA expects agencies that employ more than 50 non-VPS staff (by headcount) to provide a **comparable level of detail** in their workforce data disclosure, similar to that required by FRD 29.

<sup>71</sup> <https://www.fwc.gov.au/agreements-awards/enterprise-agreements/find-enterprise-agreement>

<sup>72</sup> 'VPS staff' means staff employed under Part 3 of the *Public Administration Act* 2004. 'Non-VPS staff' refers to all other public sector staff.

### What workforce data must be reported?

|              |   |
|--------------|---|
| Minimum data | Two years of workforce data (as per the last payroll period for both the current and previous financial years) must be presented, separated: <ul style="list-style-type: none"><li>• by <b>headcount</b> and by the number of <b>full-time equivalents</b> (FTEs);</li><li>• by <b>gender</b><sup>73</sup>;</li><li>• by <b>age</b>; and</li><li>• by the <b>employee classification levels</b> used by your agency.<sup>74</sup></li></ul> |
| Table format | The MRO provides a suggested table format, but entities have the discretion over how to present the minimum required information and whether to include any additional information. <sup>75</sup>   |
| Commentary   | General commentary on <b>programs</b> or <b>initiatives</b> that have a significant impact on employment levels between the current and previous reporting period should be included in the report. <sup>76</sup>   |
| Notes        | Your disclosure must have accompanying notes to explain: <ul style="list-style-type: none"><li>• inclusions and exclusions in the employee figures</li><li>• any significant rise and fall in the employment numbers during the reporting period (for example, due to seasonal factors).</li><li>• any classification categories that are rolled into another category.<sup>77</sup></li></ul>  |

### Example disclosure – large DEECA agency

An example disclosure is provided on the following page for DEECA entities that employ more than 50 non-VPS staff. It is based on the disclosure in FRD 29 and the MRO and provides a similar level of detail about an agency's workforce.

### (3) EPA and Sustainability Victoria

For EPA and Sustainability Victoria:

- FRD 29: is mandatory.
- FRD 29 (*Workforce data disclosures in the Report of Operations – public service employees*) applies to all entities that employ staff under Part 3 of the *Public Administration Act 2004* (PAA), with respect to the people employed under Part 3 of the PAA.
- FRD 22: is mandatory.
- Public Sector Staff Gender Information Policy: is mandatory.

### Example disclosure – EPA and SV

Refer to the workforce data disclosure in the MRO for an example of a disclosure.

<sup>73</sup> The disclosure of gender may include three categories: women, men and self-described. The privacy and confidentiality of all employees must be strictly protected at all times, in line with the *Policy and Standard Model for Collecting Staff Gender Information in the Victorian Public Sector*.

<sup>74</sup> By your employee classifications levels refers to your agency's own way of classifying or categorising staff. This is because the VPS classification levels will not, of course, be relevant to your agency.

<sup>75</sup> Pages 40-42, MRO. Additional information that agencies may want to include in their report could include for example: The full-time annualised salary of senior employees, disclosed in a separate table, by classification in \$20 000 bands, as per the Model Report.

<sup>76</sup> Pages 40-42, MRO

<sup>77</sup> Pages 40-42, MRO.



## Example workforce data disclosure – larger DEECA agency

The following table discloses the head count and full-time staff equivalent (FTE) of all active public sector employees of the [Water Authority], employed in the last full pay period in June of the current reporting period (2023), and in the last full pay period in June of the previous reporting period (2022).

**Table 6: Details of employment levels in June 2022-23 and June 2021-22**

|                  |                       | June 2022          |     |                       |                        |                       | June 2023          |               |                    |         |                       |                        |     |                    |     |
|------------------|-----------------------|--------------------|-----|-----------------------|------------------------|-----------------------|--------------------|---------------|--------------------|---------|-----------------------|------------------------|-----|--------------------|-----|
|                  |                       | All employees      |     | Ongoing               |                        | Fixed term and casual |                    | All employees |                    | Ongoing |                       | Fixed term and casual  |     |                    |     |
|                  |                       | Number (headcount) | FTE | Full-time (headcount) | Part-time (head count) | FTE                   | Number (headcount) | FTE           | Number (headcount) | FTE     | Full-time (headcount) | Part-time (head count) | FTE | Number (headcount) | FTE |
| Demographic data | Gender                |                    |     |                       |                        |                       |                    |               |                    |         |                       |                        |     |                    |     |
|                  | Women                 | 243                | 201 | 134                   | 76                     | 183                   | 33                 | 18            | 192                | 157     | 108                   | 63                     | 145 | 21                 | 12  |
|                  | Men                   | 320                | 276 | 211                   | 93                     | 266                   | 16                 | 10            | 240                | 197     | 133                   | 89                     | 186 | 18                 | 11  |
|                  | Self-described        | 1                  | 1   | 1                     | 0                      | 1                     | 0                  | 0             | 0                  | 0       | 0                     | 0                      | 0   | 0                  | 0   |
|                  | Prefer not to respond | 0                  | 0   | 0                     | 0                      | 0                     | 0                  | 0             | 0                  | 0       | 0                     | 0                      | 0   | 0                  | 0   |
|                  | Age                   |                    |     |                       |                        |                       |                    |               |                    |         |                       |                        |     |                    |     |
|                  | 15-24                 | 33                 | 26  | 21                    | 1                      | 20                    | 11                 | 6             | 6                  | 6       | 6                     | 0                      | 6   | 0                  | 0   |
|                  | 25-34                 | 123                | 95  | 52                    | 53                     | 84                    | 18                 | 10            | 77                 | 66      | 50                    | 24                     | 64  | 3                  | 2   |
|                  | 35-44                 | 135                | 117 | 90                    | 30                     | 108                   | 15                 | 9             | 113                | 97      | 73                    | 13                     | 81  | 27                 | 16  |
|                  | 45-54                 | 176                | 158 | 125                   | 46                     | 156                   | 5                  | 3             | 167                | 143     | 110                   | 50                     | 139 | 7                  | 4   |
|                  | 55-64                 | 89                 | 77  | 58                    | 31                     | 77                    | 0                  | 0             | 63                 | 38      | 0                     | 63                     | 38  | 0                  | 0   |
|                  | 65+                   | 8                  | 5   | 0                     | 8                      | 5                     | 0                  | 0             | 6                  | 4       | 2                     | 2                      | 3   | 2                  | 1   |

**Classification**

|                          |                   |            |            |            |            |           |           |            |            |            |            |            |           |           |   |
|--------------------------|-------------------|------------|------------|------------|------------|-----------|-----------|------------|------------|------------|------------|------------|-----------|-----------|---|
| <b>Casual</b>            | 0                 | 0          | 0          | 0          | 0          | 0         | 0         | 0          | 0          | 0          | 0          | 0          | 0         | 0         | 0 |
| <b>Grades 1-6</b>        | 482               | 396        | 266        | 167        | 368        | 49        | 28        | 354        | 278        | 168        | 147        | 255        | 39        | 23        |   |
| <b>1</b>                 | 24                | 20         | 16         | 5          | 19         | 3         | 1         | 18         | 14         | 9          | 5          | 12         | 4         | 2         |   |
| <b>2</b>                 | 102               | 93         | 79         | 21         | 92         | 2         | 1         | 89         | 67         | 36         | 34         | 56         | 19        | 11        |   |
| <b>3</b>                 | 138               | 112        | 73         | 50         | 103        | 15        | 9         | 97         | 78         | 50         | 39         | 74         | 8         | 4         |   |
| <b>4</b>                 | 91                | 79         | 60         | 22         | 74         | 9         | 5         | 82         | 66         | 42         | 34         | 62         | 6         | 4         |   |
| <b>5</b>                 | 90                | 66         | 29         | 52         | 61         | 9         | 5         | 54         | 43         | 26         | 26         | 41         | 2         | 2         |   |
| <b>6</b>                 | 37 <sup>(a)</sup> | 26         | 9          | 17         | 19         | 11        | 7         | 14         | 10         | 5          | 9          | 10         | 0         | 0         |   |
| <b>Senior employees</b>  | 82                | 82         | 80         | 2          | 82         | 0         | 0         | 78         | 76         | 73         | 5          | 76         | 0         | 0         |   |
| <b>Senior Officer</b>    | 2                 | 2          | 2          | 0          | 2          | 0         | 0         | 2          | 2          | 2          | 0          | 2          | 0         | 0         |   |
| <b>Senior Employee</b>   | 1                 | 1          | 1          | 0          | 1          | 0         | 0         | 1          | 1          | 1          | 0          | 1          | 0         | 0         |   |
| <b>Senior Manager</b>    | 1                 | 1          | 1          | 0          | 1          | 0         | 0         | 1          | 1          | 1          | 0          | 1          | 0         | 0         |   |
| <b>Executive Officer</b> | 78                | 78         | 76         | 2          | 78         | 0         | 0         | 74         | 72         | 69         | 5          | 72         | 0         | 0         |   |
| <b>Total employees</b>   | <b>564</b>        | <b>478</b> | <b>346</b> | <b>169</b> | <b>450</b> | <b>49</b> | <b>28</b> | <b>432</b> | <b>354</b> | <b>241</b> | <b>152</b> | <b>331</b> | <b>39</b> | <b>23</b> |   |

Notes: (a) There are 2 grade 6 employees acting as executives under long-term acting arrangements

## 11.4 Workforce Inclusion Policy (FRD 22)

### Requirement

This disclosure is **only required IF** your agency has a workforce inclusion policy ('WIP').

If your agency has WIP, then FRD 22 requires it to include:

- a **measurable target** for a workforce inclusion initiative in its Report of Operations
- a **report on its progress** against that target, each year in its annual report.

### What is a workforce inclusion policy?

A WIP is the generic name for policy made by a department or a Victorian public sector body (such as your agency) in consideration of either Commonwealth or State anti-discrimination laws, the *Disability Act* (Vic), the PAA or similar laws.<sup>78</sup>

#### Key points:

- The policy must relate to workforce inclusion (and not, for example, accessibility); and
- The policy must be for the benefit of a person with disabilities, women, CALD, the indigenous (or similar).

Note that if your agency has a WIP, it may be called another name. (e.g. a 'Reconciliation Action Plan', a 'Gender Inclusion Action Plan', a 'Multicultural Action Plan', or a 'Disability Action Plan').

### What information must be included in the disclosure?

Your agency must include the following information:

- **one** workforce inclusion initiative from your agency's workforce inclusion policy
- details of its **target** for that initiative
- a **report on its progress** in 2022-23 towards completion of that target
- **comparative** data (i.e. a report on its progress in **any prior years** towards completion of that target). Agencies are "encouraged to make comments about longer-term progress and illustrate the trend over time"<sup>79</sup>.

If an initiative has **not** been implemented, your agency's disclosure should provide **reasons** why the initiative has not been implemented. The purpose of the disclosure is to enable the evaluation of your agency's progress against its workforce inclusion plan.

### Example disclosure

An example 'Workforce Inclusion Policy' disclosure is set out below.

It details a WIP disclosure that an agency that would make if it had been reporting on its progress against the one target in its WIP over the last two financial years. In this case, the target is to increase the percentage of its employees who identify as being Aboriginal and/or Torres Strait Islander.

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<sup>78</sup> As advised by Kevin Lee, Assistant Director, Accounting Policy Department of Treasury and Finance in 2015.

<sup>79</sup> Page 42, MRO.

### Workforce inclusion policy

The [Agency name] is working towards creating a balanced working environment where equal opportunity and diversity are valued. As part of the workforce inclusion policy, the [Agency name] has a target of increasing the percentage of its employees who identify as being Aboriginal and/or Torres Strait Islander from [0.5]% to [2%] by 2025.

The following table outlines the [Agency name]'s actual progress against this target in 2021-22 and 2022-23.

| Workforce inclusion policy initiative                        | Target  | Actual progress in 2020-21                               | Actual progress in 2022-23                                 |
|--|---|--|--|
| Increase % employees who identify as Aboriginal <sup>1</sup> | Employees who identify as being Aboriginal:<br>2 per cent by 2025 | Employees who identify as being Aboriginal<br>1 per cent | Employees who identify as being Aboriginal<br>1.3 per cent |

Note: [add any notes to explain the target, the data in the report, and any defined terms]

## 11.5 Executive officer disclosure

### Executive officer disclosure in Financial Statements (FRD 21)

All DEECA agencies that employ executive officers are required to make an executive officer disclosure in Note 9.8 *Remuneration of executives* of their **Financial Statements** in accordance with FRD 21. As this disclosure is in the Financial Statements and not the Report of Operations, it is not discussed in this guide.

Refer to FRD 21 and the Model Report for details and an example disclosure.

FRD 21 defines an 'executive officer' to mean a person (other than a statutory office holder or an accountable officer):

- for whom the Victorian Government's 'Policy on Executive Remuneration in Public Entities' applies (i.e. a public sector executive); or
- who is employed as an executive under Part 3 of the PAA (i.e. a public service executive).



Water entities are encouraged to refer to the 'Guide to applying FRD 21: Disclosures of responsible persons and executive officers in the financial report' prepared by the Water Partnerships & Sector Performance team for Water entities 2022-23 Annual Reports.

### Executive officer disclosure in the Report of Operations (FRD 15)

While DEECA entities are **not required** to make an executive officer disclosure in their **Report of Operations** in accordance with FRD 15, **larger entities** are encouraged to disclose a greater level of detail about the number of executives that they employ than that required by FRD 21.



Your agency's executive officer data should be **consistent in the following disclosures**:

- in Note 9.8 of your agency's Financial Statements (i.e. in accordance with FRD 21)
- in your agency's Report of Operations – if your agency makes an executive officer disclosure in a manner that is similar to the disclosure required under FRD 15);
- notified to VPSC in the latest annual survey. Please note that this information will be included in DEECA's Annual Report 2022-23.<sup>80</sup>

Where there are **differences** in these figures, your **report must include an explanation** or include additional commentary in the notes to the Financial Statements.

<sup>80</sup> FRD 15 requires departments such as DEECA to disclose in their annual reports executive officer numbers for all of its "public entities" (as defined in the PAA). DEECA obtains this information from VPSC. VPSC obtains this information annually from all public entities.

## 12. Disclosures in Section 4 (Other Disclosures)

This chapter details **additional disclosures** that your agency **may** be required to make, as detailed in **Section 4 of the MRO**.

### 12.1 Local Jobs First (FRD 25)

Most DEECA entities are required to make a Local Jobs First disclosure in their Report of Operations.

This disclosure will be either:

- a 'nil disclosure'; or
- a more detailed disclosure (see below), if its procurement and project activities exceeded certain monetary thresholds in the reporting period.

The Local Jobs First Policy was updated (in October 2022), together with the Agency Guidelines and Supplier Guidelines.<sup>81</sup> The purpose of the updates were to refresh and strengthen policy outcomes and simplify application for agencies and industry.

The updated documents are available on the Local Jobs First website, together with a summary of the key changes. Changes include:



- policy updates to the Major Projects Skills Guarantee (MPSG) including updated definitions of apprentices, trainees and cadets.
- a simplified approach to estimating labour hours.

The updated policy and guidelines should be used for all new projects, noting that monitoring and reporting guidance should be used for all new and existing projects.

There have been **no changes to FRD 25** or to the example disclosure in the MRO.

### What is Local Jobs First?

Local Jobs First is a Victorian Government policy<sup>82</sup> that consists of:

|   |   |
|---|---|
| <b>Victorian Industry Participation Policy (VIPP)</b> | <p><b>VIPP</b> encourages government entities to procure goods and services from small to medium sized local businesses (Australia/NZ).</p> <p>VIPP supports local industry participation by:</p> <ul style="list-style-type: none"><li>• embedding <b>consideration of local industry</b> capability and jobs into the tendering process for <b>all projects</b> that meet the policy thresholds ('Standard Projects')</li><li>• setting <b>local content</b> and other requirements on projects of strategic significance ('Strategic Projects').</li></ul> |
| <b>Major Projects Skills Guarantee (MPSG)</b>         | <p><b>MPSG</b> is aimed at creating job opportunities for apprentices, trainees and cadets on high value construction projects.</p> <p>MPSG requires that all construction projects valued at \$20 million or more utilise Victorian registered</p>   |

<sup>81</sup> <https://localjobsfirst.vic.gov.au/news/news-items/important-updates-to-the-local-jobs-first-policy-and-guidelines-october-2022>

<sup>82</sup> In August 2018, the Victorian Parliament reformed the *Victorian Industry Participation Policy Act 2003* into the *Local Jobs First Act 2003*, and the Victorian Industry Participation Policy (VIPP) and the Major Projects Skills Guarantee (MPSG) policy were brought together under the banner of Local Jobs First.

apprentices, Victorian registered trainees or cadets for at least 10 per cent of the contract works' total estimated labour hours.

## Who must comply with FRD 25?

Section 9 of the *Local Jobs First Act 2003* (Local Jobs First Act) requires an FMA 'public body' to report on its compliance with the Local Jobs First Policy for the relevant financial year. Most DEECA major agencies are therefore required to comply with FRD 25.<sup>83</sup>

FRD 25 explains what information needs to be included in your agency's Local Jobs First disclosure in its Report of Operations.

## When is an agency required to comply with Local Jobs First?

The Local Jobs First policy applies to the full range of projects, developments, procurements and other initiatives that are undertaken or funded (whether wholly or partially) by the Victorian Government and meet the relevant Local Jobs First financial thresholds.

Agencies must apply:

- **Local Jobs First – VIPP** to all procurement and project activities (including grants or loan projects) valued at:
  - \$3 million or more in metropolitan Melbourne and for state-wide projects; and
  - \$1 million or more in regional Victoria.
- **Local Jobs First - MPSG** to all major construction projects valued at >\$20 million.

## Applicable projects

Local Jobs First applicable projects include but are not limited to:

|  |  |
|--|--|
| <b>Purchase of goods and/or services</b> | Purchase of goods and/or services, regardless of the method of procurement including but not limited to: <ul style="list-style-type: none"> <li>• individual project tenders</li> <li>• State Purchase Contracts,</li> <li>• supplier panels</li> </ul>  |
| <b>Construction projects</b>             | Construction projects (incorporating design and construction phases, including if administered through a competition, and all related elements), including but not limited to: <ul style="list-style-type: none"> <li>• individual projects</li> <li>• Public Private Partnerships</li> <li>• Alliance Contracts</li> <li>• Market Led Proposals</li> <li>• auctions, supplier panels and registers</li> </ul> |
| <b>Grant and loan projects</b>           | Grant and loan projects, including but not limited to: <ul style="list-style-type: none"> <li>• grant agreements or loan arrangements to private, non-government and local government organisations for a single project or group of projects.</li> </ul>  |

<sup>83</sup> Section 3.1 of this guide explains which DEECA agencies are an FMA 'public body'.



## Standard or Strategic?

Local Jobs First Projects are designated either Standard or Strategic, based upon their value and/or ministerial determination. This is summarised in the table below.

| Local Jobs First - VIPP  |
|--|
| A Local Jobs First <b>Standard Project</b> is a project: <ul style="list-style-type: none"><li>• with a budget of over \$1 million in rural or regional Victoria</li><li>• with a budget of over \$3 million for state-wide projects or projects in metro Melbourne; or</li><li>• declared by the Minister under s.7A(1) of the LJF Act.</li></ul>   |
| A Local Jobs First <b>Strategic Project</b> is a project: <ul style="list-style-type: none"><li>• with a budget of \$50 million or more, or</li><li>• declared to be a Strategic Project by the responsible minister/s under section 7A(2) of the Act</li></ul>  |
| A Local Jobs First <b>Grants or Loan Project</b> is a project: <ul style="list-style-type: none"><li>• with a state contribution of \$1 million or more in rural and regional Victoria, or</li><li>• with a state contribution of \$3 million or more for statewide projects or for projects in metropolitan Melbourne.</li></ul> <p>For example, if a Victorian Government agency is providing a \$1 million grant to a local council in regional Victoria for delivery of a project, it would be treated as a Local Jobs First project and the process for grants would apply.</p> |
| Local Jobs First - MPSG  |
| Applies to all high value <b>construction projects</b> valued at >\$20 million   |

## Key terms

|                    |  |
|--------------------|--|
| Value of a project | <p>The value of a project refers to the total budget allocated over the life of a project, and not the value of individual contracts, excluding GST.</p> <p>The funding source does not impact the application of the policy. For example, a project budget may be sourced from State Government appropriations, internal agency resources, grants and loans or other contributions, which together make up the project value for policy purposes.</p> |
|--------------------|--|

## What information should be in your disclosure?

FRD 25.5.3 details the information that must be included in your agency's disclosure about contracts to which Local Jobs First policy applied in the reporting period (except grants):

|            |  |
|------------|--|
| FRD 25.5.3 | <p><b>Reporting on all contracts except grants</b></p> <p>The Report of Operations should contain the following information if applicable for <b>contracts commenced</b> and/or <b>completed</b> to which the Local Jobs First applied in the reporting period:</p> <ul style="list-style-type: none"> <li>the number and total value of both Local Jobs First Strategic and Local Jobs First Standard Projects commenced and/or completed in the reporting period to which a VIPP Plan (only from 1 July 2018 to 15 August 2018) or Local Industry Development Plan (LIDP) was required;</li> <li>the number of projects that the MSPG has been applied on (from 15 August 2018). MSPG guidelines (2016) will continue to apply to MSPG applicable projects where contracts have been entered by 15 August 2018;</li> <li>the number and percentage of 'local content' committed under projects that commenced and/or completed in the reporting period to which LIDP was required, split by: <ul style="list-style-type: none"> <li>Metropolitan; – Regional; and Statewide;</li> </ul> </li> <li>for projects commenced, a statement of total LIDP commitments (local content, employment and engagement of apprentices, trainees and cadets) committed as a result of these projects;</li> <li>for projects completed, a statement of total VIPP Plan or LIDP outcome (local content, employment and engagement of apprentices, trainees and cadets) achieved as result of these projects;</li> <li>the number of small to medium sized businesses engaged as either the Principal Contractor or as part of the supply chain.</li> </ul> |
|------------|--|

FRD 25.5.4 details the information that must be disclosed about **grants**:

|            |  |
|------------|--|
| FRD 25.5.4 | <p><b>Reporting on grants</b></p> <p>The Report of Operations should contain the following information related to grants:</p> <ul style="list-style-type: none"> <li>The total number of conversations with the Industry Capability Network that correspond with the registration and issue of an Interaction Reference Number.</li> </ul> |
|------------|--|

## Example disclosure

Refer to the MRO for a detailed example disclosure (at pages 45-47), and the example below.

## Nil disclosure required

A disclosure must be made even if the disclosure amounts to a nil response.

|           |  |
|-----------|--|
| <b>X2</b> | Your agency's Local Jobs First disclosure must be referred in two locations in the Disclosure Index, once under FRD 25 and once in the Legislation section under the heading of <i>Local Jobs First Act 2003</i> . |
|-----------|--|

## Whole of Government reporting

The Act also requires each agency to provide requested information for inclusion in a whole of Victorian government report on the implementation of Local Jobs First, no later than six weeks after the end of the financial year to which the report relates.

You can access previous Local Jobs First Annual Reports on the Local Jobs First website (see link in 'Further Information').

### Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

[Agency name] is required to apply the Local Job First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at \$20 million or more. The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

### Projects Commenced – Local Jobs First Standard

During 2022-23, the [Agency name] commenced [one] Local Jobs First Standard projects totalling [\$21 million]. This project was located in metropolitan Melbourne and had an average commitment of [80%] local content. No projects were commenced that occurred statewide. The MSPG applied to this project.

The outcomes expected from the implementation of the Local Jobs First policy to this project where information was provided are as follows:

- an average of [80%] of local content commitment was made;
- a total of [50] jobs (annualised employee equivalent (AEE)) were committed, including the creation of [3] new jobs and the retention of [10] existing jobs (AEE);
- a total of [4] positions for apprentices, trainees and cadets were committed, including the creation of 1 new apprenticeship, traineeship or cadetship;
- the retention of the remaining [three] existing apprenticeships, traineeships and cadets; and
- MPSG applicable projects provided a total of [3 000] hours to apprentices, trainees and cadets and engaged [4] apprentices, trainees and cadets.

There was [one] small to medium sized businesses that prepared a VIPP Plan or Local Industry Development Plan (LIDP) for contracts, successfully appointed principal contractor.

### Projects Completed – Local Jobs First Standard

During 2022-23, [Agency name] completed [one] Local Jobs First Standard projects, totalling [\$10 million]. This project was a state-wide project, with a local content requirement of [48%]. The MSPG did not apply to this project.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided, were as follows:

- an average of [87%] of local content commitment was made;
- a total of [50] jobs (annualised employee equivalent (AEE)) were committed, including the creation of [5] new jobs and the retention of [20] existing jobs (AEE);

There was [one] small to medium sized businesses were engaged through the supply chain on these projects.

Reporting requirements – all projects

[Agency name] commenced [two] contracts prior to 15 August 2018 with a total of [96%] estimated to be of local content for which a VIPP Plan or LIDP was not required, as the procurement activity was local by nature.

### Reporting requirements – grants

For grants provided during 2022-23, a total of [five] interaction reference numbers were required, which entailed a conversation with the Industry Capability Network (Victoria) Ltd

## Further information

Any questions should be directed to the Local Jobs First team at: [localjobsfirst@ecodev.vic.gov.au](mailto:localjobsfirst@ecodev.vic.gov.au)

Further resources and the following key documents can be obtained from the Local Jobs First website (<https://localjobsfirst.vic.gov.au>):

- [Local Jobs First Policy \(Oct 2022\)](#)
- [Local Jobs First Annual Reports](#) (various)

## 12.2 Social Procurement ★

All DEECA entities that are a 'public body' for the purposes of the FMA and subject to the Standing Directions<sup>84</sup> are required to:

- make a 'social procurement' disclosure in their Report of Operations, detailing their social procurement activities in accordance with the Social Procurement Framework (SPF);
- contribute to an annual whole of Victorian Government report on aggregated social and sustainable outcomes and benefits.

The Social Procurement team at the Department of Government Services has released the following updated documents, which DEECA entities should have received from either the Social Procurement team or their DEECA relationship manager:

- **SPF Annual Reporting Reference Guide 2022-23:** some minor changes to these instructions.
- **SPF Annual Reporting Instructions 2022–23.** This is a short guide, including key dates, for the WoVG SPF Annual Report and Individual Department/Agency Annual Reports (Report of Operations).
- **The Case Study Collection Survey Template.** This outlines brief instructions on collecting SPF case studies as well as containing a copy of the online survey, so departments and agencies can prepare the necessary information for case study collection prior to completing the survey.

**Key changes for 2022-23** include:

- the reporting of case studies will now be via an [online form](#).
- All departments and agencies have to run the ABN Wash tool (to be distributed 15 July) and include the outputs in their own individual entity annual report. DEECA entities do not, however, need to return their results to the SP team.
- Entities need to ensure that their Victorian Management Centre (VMC) data is accurate, complete and up to date as of 16 July 2023 for use in WOVG SPF reporting.

### Which entities are required to make this disclosure?

All FMA 'public bodies' that are subject to the Standing Directions are required to comply with Victorian Government Purchasing Board (VGPB) policies and the Social Procurement Framework (SPF).

### What is a social procurement disclosure?

A social procurement disclosure is essentially a summary of an agency's achievements against its social procurement strategy for the reporting period.

### Minimum content for an agency's SPF disclosure

All DEECA entities required to make an SPF disclosure are categorised as **Group B** entities.<sup>85</sup>

Group B Entities must include the following SPF achievements in their own annual reports:

- the following data on **their activities** with social benefit suppliers in the reporting period (as outlined in the table below), which must be generated using the **ABN Wash tool**;

<sup>84</sup> See: <https://www.buyingfor.vic.gov.au/implementing-and-reporting-social-procurement>

<sup>85</sup> Page 1, 'Social Procurement Framework Annual Reporting Instructions 2022–23 Financial Year'

## Overall social procurement activities 2022-23

- Number of social benefit suppliers engaged during the reporting period:
- Total amount spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive):
- Total number of mainstream suppliers engaged that have made social procurement commitments in their contracts with the Victorian Government:
- Total number of contracts that include social procurement commitments:

- A minimum of **one case study**;
- **their achievements** against defined **SPF outcomes**.

An example disclosure is set out in Appendix A of the *SPF Annual reporting Reference Guide 2022-23*. Entities are encouraged to use Victorian Management Centre (VMC) data for reporting.<sup>86</sup>

### What are the eligible procurement types for SPF reporting?

All goods, services and construction related procurement activities qualify for reporting, regardless of the value of the procurement, or mode of payment.

### Which financial year to report a new engagement?

The social procurement engagement is reported when the reporting agency releases the payment to the social benefit supplier. Therefore, the engagement should be reported within the reporting period that the payment occurs.

### What is an SPF objective?

The Social Procurement Framework has **ten SPF objectives** (listed below).

The 10 SPF objectives are:

|   |
|---|
| 1. Opportunities for Victorian Aboriginal people                            |
| 2. Opportunities for Victorians with disability                             |
| 3. Women's equality and safety  |
| 4. Opportunities for disadvantaged Victorians                               |
| 5. Supporting safe and fair workplaces                                      |
| 6. Sustainable Victorian social enterprises and Aboriginal business sectors |
| 7. Environmentally sustainable outputs                                      |
| 8. Environmentally sustainable business practices                           |
| 9. Implementation of the Climate Change Policy objectives                   |

Each SPF objective has associated SPF **outcomes** and **reporting** metrics (which are set out in Chapter 5 of the SPF Reporting Guideline).

The SPF requires entities to prioritise several SPF objectives (with associated outcomes and metrics) in their Strategy.

### What is a “case study”?

An explanation of what a case study means is contained in the SPF Reporting Guidelines.

<sup>86</sup> the 'Social Procurement Framework Annual Reporting Instructions 2022–23 Financial Year'

Each agency will be asked to submit a case study to the Department of Government Services as part of its contribution to the annual whole of Victorian Government report on aggregated SPF outcomes. (see 'Additional WOVG Reporting' below for further details).

The whole of Victorian government SPF annual report contains useful examples of case studies provided by a range of Victorian government departments and public sector bodies that you may wish to refer to.

## Additional WOVG reporting

Group B entities are also required to ensure that:

- all contracts with SPF commitments are input into the Victorian Management Centre (VMC) and progress against these commitments are also recorded. All data must be complete, accurate and up-to-date by 16 July 2023
- A minimum of one case study has been drafted and

The SPF Case Study Online Survey has been completed by 30 June 2023.

## Further information

If you have any questions, please contact the Social Procurement Implementation Team at the Department of Government Services at: [socialprocurement@ecodev.vic.gov.au](mailto:socialprocurement@ecodev.vic.gov.au).

For further guidance and other resources such as the following key documents, please refer to the Social Procurement page on Buying for Victoria's website.<sup>87</sup>

- *Victoria's Social Procurement Framework (April 2018) (SPF)*<sup>88</sup>
- *Social Procurement Framework (SPF) Annual reporting Reference Guide 2022-23* (SPF Reporting Guidelines)
- the *Social Procurement Annual Report 2020-21* (and previous reports)<sup>89</sup>
- *Victoria's Social Procurement Case Studies and Highlights Report (August 2018)*
- the '*Social Procurement Framework Annual Reporting Instructions 2022–23 Financial Year*'
- the SPF ABN Wash Tool

## Example disclosure

### Social Procurement Framework

The Victorian Waste Commission is fully committed to supporting the Government's directions under the Social Procurement Framework and we recognise that we play a key role in advancing social and sustainable outcomes for Victorians.

In 2020, the Victorian Waste Commission developed a Social Procurement Strategy to enable a strategic, agency-wide approach to how it will deliver social and sustainable outcomes through our procurement in accordance with the Social Procurement Framework and beyond.

In that Strategy, the Victorian Waste Commission prioritised three SPF objectives – detailed in the table below, with their associated reporting metrics. These SPF objectives were chosen based on their high degree of alignment with the Victorian Waste Commission's strategic direction and values as well as being best positioned to advance our identified social procurement opportunities.

| Objective prioritised       | Outcome sought  | SPF Reporting metric  |
|-----------------------------|---|---|
| Women's equality and safety | Gender equality within Victorian government suppliers | Number of Victorian Government suppliers that have a gender equality policy |

<sup>87</sup> <https://www.buyingfor.vic.gov.au/social-procurement-document-library>

<sup>88</sup> <https://www.buyingfor.vic.gov.au/sites/default/files/2018-08/Victorias-Social-Procurement-Framework.PDF>

<sup>89</sup> <https://www.buyingfor.vic.gov.au/social-procurement-annual-reports>



|  |  |   |
|--|--|---|
| Supporting safe and fair workplace's objective                           | Purchasing from suppliers that comply with industrial relations laws and promote secure employment | Number of Victorian Government suppliers that attest to compliance with the supplier code of conduct. |
| Sustainable Victorian social enterprises and Aboriginal business sectors | Purchasing from Victorian social enterprises and Aboriginal businesses                             | Number of Victorian Aboriginal businesses engaged   |

#### Achievements

The Victorian Waste Commission undertook capability and awareness activities to support our first Social Procurement Strategic Plan.

To improve capability, we appointed an executive sponsor for social procurement, established a Procurement Advisory Committee and reviewed key procurement policy and procedures to incorporate our social procurement obligations and objectives.

To raise awareness, we developed and distributed procurement communications to staff, and briefed business groups and suppliers.

While the three prioritised SPF objectives guide our procurement delivery, the Victorian Waste Commission is committed to pursuing any opportunities to advance social and sustainable outcomes for Victorians.

To address the 'Women's equality and safety' objective, we:

- commenced tracking expenditure with Victorian Government suppliers that have a gender equality policy
- updated our procurement templates to require suppliers to advise us if they have adopted a gender equality policy.

To address the 'Supporting safe and fair workplaces' objective, the Victorian Waste Commission revised its template procurement contracts to include the Victorian Government's Supplier Code of Conduct. The code incorporates minimum expectations for labour and human rights, and seeks to increase supply chain opportunities for suppliers that provide safe and fair workplaces for all workers, focusing on:

- ensuring compliance with industrial relations laws throughout supply chains
- promoting job security and addressing underpayment and exploitation of workers.

To address the 'Sustainable Victorian social enterprises and Aboriginal business sectors' objective the Victorian Waste Commission has:

- commenced tracking expenditure with Victorian social enterprises and Aboriginal business sectors and introduced a mandatory social procurement opportunity assessment as part of all procurement planning.
- updated its procurement policy to mandate all catering be sourced from a Social Benefit Supplier where possible. Venue hire, gifts, and stationery are also strongly encouraged to be sourced from Social Benefit Suppliers.

## 12.3 Government advertising expenditure (FRD 22)

FRD 22 requires an agency to disclose certain information about its expenditure on government campaign advertising in its Report of Operations.

|                                   |   |
|-----------------------------------|---|
| 'Government campaign advertising' | means a campaign bought by your agency through the Master Agency Media Services (MAMS) media-buying contract. |
|-----------------------------------|---|

See definitions in FRD 22 of "government campaign advertising" and "campaign".

### What information must be disclosed?

For each **government advertising campaign** with a **total media spend of \$100 000 or greater** (exclusive of GST), an agency should disclose the following information in its Report of Operations:

- the name of the advertising campaign
- the start and end date of campaign
- a campaign summary
- **details of campaign expenditure** for the reporting period (exclusive of GST).

|                     |   |
|---------------------|---|
| 'Total media spend' | means your agency's total expenditure on "government campaign advertising" in the reporting period. |
|---------------------|---|

The following **expenses** should be **separately itemised**, as shown in the example disclosure on page 48 of the MRO:

- advertising (media)
- creative and campaign development
- research and evaluation
- print and collateral
- other campaign costs.

## Example disclosure — nil response

If your agency has **not met the disclosure threshold of \$100 000** on government advertising expenditure, FRD 22 states that an explicit statement (a **nil report statement**) must be included in its annual report (or a nil disclosure).

### Government advertising expenditure

[Agency name]'s expenditure in the 2022-23 reporting period on government campaign expenditure did not exceed \$100 000

## Example disclosure

The example disclosure on page 48 of the MRO has been adapted for agencies, and is set out below.

### Government advertising expenditure

In 2022-23, [Agency] conducted one government advertising campaign with a media spend of \$100 000 or greater, described below:

(\$ thousand)

| Name of Campaign,<br>Campaign summary<br>Start/ End date  | Advertising (Media)<br>Expenditure<br>2022-23<br>(excl. GST) | Creative & campaign<br>development<br>Expenditure<br>2022-23<br>(excl. GST) | Research & evaluation<br>Expenditure<br>2022-23<br>(excl. GST) | Print and collateral<br>Expenditure<br>2022-23<br>(excl. GST) | Other<br>Campaign<br>Expenditure<br>2022-23<br>(excl. GST) | Total |
|---|--|---|--|---|--|-------|
| <b>E-recycling</b><br>A 6-month campaign to educate companies on how to recycle e-waste responsibly.<br>(Aug 2022 – Jan 2023) | 620  | 15  | 32   | 12  | 8  | 680   |

## 12.4 Consultancy expenditure (FRD 22)

FRD 22 requires details of your agency's **consultancy expenditure** during the reporting period to be disclosed in its Report of Operations. Different disclosure requirements to consultancies valued at:

- \$10,000 and over; and
- less than \$10,000.

Examples of both disclosures are on the following page.



When determining if a service provider is a consultant, it is important to consider the primary purpose of the engagement (and not what they call themselves). The main factor that distinguishes a consultant from other types of contractors is the predominantly advisory nature of the work. By its nature it is typically a role that is not required in an ongoing capacity within the structure of public bodies

## Consultancies — \$10 000 or more

For each consultancy valued at \$10 000 or more (excl. GST), your agency must:

- include a **summary disclosure** in its **Report of Operations** (for an example disclosure, refer to FRD 22 and the MRO)
- publish a **more detailed disclosure** on its **website** (for an example disclosure, see the MRO).

## What information must be disclosed on my agency's website?

For each consultancy valued at \$10 000 or more, a schedule must be provided on your agency's website detailing:

- name(s) of the consultant(s) engaged
- brief summary of the project involved (i.e. the 'purpose' of the consultancy)
- start and end date of the project (**optional**)
- total project fees approved (exclusive of GST)
- total fees incurred (i.e. expenditure) for the reporting period (exclusive of GST)
- any future commitments (i.e. expenditure) relating to each consultancy.

## Consultancies under \$10 000

For consultancies under \$10 000 (excluding GST), the Report of Operations should detail:

- the total number of consultancies
- the total cost (exclusive of GST).

## Example disclosures

Below is an example disclosure for consultancy expenditure. Also see the example in the MRO.

### Details of consultancies (valued at \$10,000 or greater)

In 2022-23, there were [three] consultancies where the total fees payable to the consultants were \$10 000 or greater. The total expenditure incurred during 2022-23 in relation to these consultancies was \$[amount] (excl. GST).

Details of individual consultancies are outlined on [Agency's Name]'s website, at [website address].

### Details of consultancies (valued at less than \$10,000)

In 2022-23, there were [total number] consultancies engaged during the year, where the total fees payable to the consultants was less than \$10 000. The total expenditure incurred during 2022-23 in relation to these consultancies was \$[amount] (excl. GST).

## Example disclosure - Nil response

If your agency did not have any consultancies during the reporting period, then we **recommend** that a nil response disclosure be included in its annual report, so that it's clear to the reader that it has considered this requirement.



The **information on your agency's website** (on consultancies valued at \$10 000 or more) **must be available** from the date on which your report becomes publicly available — at the latest.

Additional information about consultancies must be made available on request (see 12.16 of this guide).

## 12.5 Information and Communication Technology expenditure (FRD 22)

### Which entities must make this disclosure?

All FMA 'public bodies' must disclose their Information and Communication Technology (ICT) expenditure for the reporting period in their Report of Operations in accordance with FRD 22.5.17.<sup>90</sup>

### What information must be disclosed?

FRD 22.5.17 requires your agency to disclose the following information, for the full 12-month reporting period:

- total ICT Business As Usual (BAU) expenditure; and
- total ICT Non BAU expenditure, with a breakdown for:
  - i. Operational expenditure (OPEX) and
  - ii. Capital Expenditure (CAPEX).

### Definitions

|                                   |  |     |                       |     |                           |
|-----------------------------------|--|-----|-----------------------|-----|---------------------------|
| 'ICT expenditure'                 | <p><b>'ICT expenditure'</b> is an agency's costs in providing business enabling ICT services.</p> <p>It consists of the following cost elements:</p> <ul style="list-style-type: none"> <li>• operating and capital expenditure (including depreciation);</li> <li>• ICT services — internally and externally sourced;</li> <li>• cost in providing ICT services (including personnel &amp; facilities) across the agency, whether funded through a central ICT budget or through other budgets; and</li> <li>• cost in providing ICT services to other organisations.<sup>91</sup></li> </ul> |     |                       |     |                           |
| 'Total ICT expenditure'           | • Total ICT expenditure  | • = | • ICT BAU expenditure | • + | • ICT Non BAU expenditure |
| 'Non Business As Usual (Non BAU)' | <ul style="list-style-type: none"> <li>• <b>Non BAU ICT expenditure</b> is a subset of ICT expenditure that relates to <b>extending or enhancing current</b> ICT capabilities. Usually run as projects.</li> </ul>   |     |                       |     |                           |
| Business As Usual (BAU)           | <ul style="list-style-type: none"> <li>• <b>BAU ICT expenditure</b> includes all remaining ICT expenditure and typically relates to ongoing activities to operate and maintain the current ICT capability.</li> </ul>  |     |                       |     |                           |

### Example disclosure

The **disclosure** in the MRO has been adapted for an agency and is set out below.

<sup>90</sup> This disclosure was introduced in 2016 in response to a recommendation from the Victorian Auditor-General's Office (VAGO) performance audit on *Digital Dashboard: Status Review of ICT Projects and Initiatives*, which recommended that DPC establish an ICT reporting mechanism to improve government transparency and enable better ICT benchmarking across government. The purpose of this disclosure is to increase government transparency in managing ICT expenditure and promote consistency in tracking ICT expenditure.

<sup>91</sup> Definitions are contained in paras 5.5, 5.6 and 5.7 of FRD 22. For a detailed definition of "ICT expenditure", please refer to the Glossary in the *ICT Reporting Standard*.

### Information and Communication Technology (ICT) expenditure

For the 2022-23 reporting period, [agency] had a total ICT expenditure of [insert total value e.g. \$100 000], with the details shown below.

| All operational ICT expenditure         | ICT expenditure relating to projects to create or enhance ICT capabilities |                                |                             |
|---|--|--------------------------------|-----------------------------|
| Business As Usual (BAU) ICT expenditure | Non-Business As Usual (non-BAU) ICT expenditure                            | Operational expenditure (OPEX) | Capital expenditure (CAPEX) |
| (Total)                                 | (Total = Operational expenditure and Capital Expenditure)                  |                                |                             |
| 60                                      | 40   | 30                             | 10                          |

Note:

- **ICT expenditure** refers to [agency]'s costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure.
- **Non-BAU ICT expenditure** relates to extending or enhancing [agency]'s current ICT capabilities.
- BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.

## Example disclosure — nil response

An explicit statement of nil reports is required where the relevant activities or circumstances do not result in any spending.

### Information and Communication Technology (ICT) expenditure

For the 2022-23 reporting period, [agency name] had a total ICT expenditure of \$0.

'ICT expenditure' refers to [agency name's] costs in providing business enabling ICT services.

## Further information

For further information refer to the:

- IT Project and Expenditure Reporting Standard
- IT Expenditure Reporting Data Collection Guidelines.

both of which are available at: <https://www.vic.gov.au/it-project-and-expenditure-reporting-standard-and-guidelines>.<sup>92</sup>

**The Standard** is mandatory for 'public bodies' to comply.

**The Guideline** is a guide only.

<sup>92</sup> search for "ICT expenditure".



## 12.6 Major Contracts (FRD 12)

### Application

If a DEECA entity has entered into a contract valued at **\$10 million or more** in the reporting period, then it is expected to include a 'major contracts' disclosure in its Report of Operations in the manner prescribed by FRD 12.

|                  |   |
|------------------|---|
| 'Major contract' | means each contract that your agency has entered into during the reporting period, which is valued at \$10 million or more. |
|------------------|---|

### What information must be disclosed?

The following information should be included in this disclosure:

- details about each major contract that your agency has entered into during the reporting period, whether the contracts has been disclosed in part or in full, and whether any part of a contract falls within one or more of the exemptions contained in Part IV of the *Freedom of Information Act 1982* (FOI Act) and/or government guidelines;
- brief details of the contractors and the purpose of contracts that have not been disclosed, and the date when it will be disclosed; and
- where the details of contracts that have been disclosed are publicly available. (For most agencies, this would be their website.)

It is important you clarify whether VGPB policy applies to your agency and if not, there is no requirement to disclose contracts valued at **under \$10 million**; however, your agency may wish to disclose details over and above the minimum. You should verify your obligations at the following: [Aligning goods and services supply policies](#).

Disclosures can be made in either the Report of Operations or the Financial Statements. However, a disclosure in the Financial Statements will be subject to audit by the Victorian Auditor-General.

### Further information

- [Ensuring openness and probity in Victorian Government contracts: A policy statement \(11 October 2000\)](#).
- [Ensuring openness and probity in Victorian Government contracts: Implementation guidelines](#).

### Example disclosure – nil response

An example of a disclosure for a public body that did not award any major contracts is set out below.

|  |
|--|
| <p><b>Major Contracts</b></p> <p>[Agency name] did not enter into any major contracts during 2022-23.</p> <p>A 'major contract' is a contract entered into during the reporting period valued at \$10 million or more.</p> |
|--|

### Example disclosure

See below, and in the MRO.

|   |
|---|
| <p><b>Major Contracts</b></p> <p>In 2022-23, VicPlan entered into one major contract with a value of over \$10 million. The relevant contract is for Engineering Project Management Services covering the 2018 – 2023 Melbourne Plan Expo. This contract was awarded to XYZ Corporation Pty Ltd. Details about this contract are available on VicPlan's website at <a href="#">[insert link]</a>.</p> |
|---|

## 12.7 Freedom of Information (FRD 22)

### Requirement

FRD 22 requires your entity's Report of Operations to include "a summary of the **application** and **operation** of the *Freedom of Information Act* 1982 (**FOI Act**) within the entity during the year."

### 'Operation' text

Your entity's FOI disclosure should provide the reader with context of **how the FOI Act operates**.

In particular, the operation text should briefly describe:

- the purpose of the Act;
- the public right of access created by the Act, the documents that it applies to, and any statutory exclusions;
- what your agency may do in response to an FOI request;
- an applicant's right to review by Office of the Victorian Information Commissioner (OVIC);
- how a member of the public may make an FOI request; and
- where to obtain further information about FOI (e.g. OVIC website, FOI Act etc.).

The operation text should also provide guidance to the public on **how** a member of the public can make an FOI request including:

- which **types of requests** are handled by your agency and which requests are outside its scope (e.g. requests for information belonging to a subsidiary);
- what types any **costs** associated with making the request, in particular, the fee that must accompany an FOI request see details below
- to **whom** an FOI request should be addressed to (i.e. the name and contact details of your agency's authorised FOI officer/s); and
- what **format** a request should be in.



When referring to the **application fee** in the report, the figure should reflect the fee at the date the report is signed off, not the fee applicable during the report period. From **1 July 2023**, the fee is **\$31.80**.

### 'Application' text

Your agency's FOI disclosure must also:

- describe **how your agency has applied** the requirements prescribed in s.7 of the Act during the reporting period.<sup>93</sup>

In the example disclosure below, this requirement is addressed by the following statement:

*"Information about the type of material produced by [Agency] is available on [Agency]'s website under its Part II Information Statement."*

- provide a summary of the **FOI requests** your agency has received in the reporting period, with the FOI statistics detailed in the table below.

<sup>93</sup> Section 7(4) of the FOI Act contains the requirement that certain information be included by an agency in its annual report.

## FOI statistics

- the total number of **FOI requests** received in the period
- a summary of the **types of requesters** (e.g. 'six were from Members of Parliament and the remainder were from the general public')
- the **outcome** of the requests, in brief detail (e.g. 'the majority were acceded to');
- the total **number of FOI decisions** made by your agency in the reporting period, with a breakdown for the length of time taken to make those decisions, within each of the following time periods:
  - within the 30 day time period;
  - within 30 to 45 day time period,
  - within 46 to 90 days; and
  - more than 90 days.
- Average time taken to finalise requests.
- the number of requests that were subject to a complaint / internal review by OVIC
- the number of FOI decisions that were appealed to VCAT.

## Agencies that do not have an authorised FOI Officer

Some smaller agencies do not have their own FOI Officer. Instead, they use DEECA's Freedom of Information Unit for assistance with handling requests, and the agency's Principal Officer makes decisions. In this instance contact the Manager, FOI in DEECA on **(03) 7022 6530** if you need assistance with how to phrase this disclosure.

## Example disclosure – for agencies that have an authorised FOI Officer

The example disclosure (below) has been modelled on the disclosure in the MRO<sup>94</sup>. It assumes that your agency has its own FOI Officer.

<sup>94</sup> Pages 52-53, Model Report

## Freedom of information

The *Freedom of Information Act* 1982 (the Act) allows the public a right of access to documents held by [Agency name]. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by [Agency name]. This comprises documents both created by [Agency name] or supplied to [Agency name] by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by [Agency name] is available on [Agency name]'s website under its Part II Information Statement.

The Act allows [Agency name] to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to [Agency name] in-confidence.

The Act was amended on 1 September 2017 to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by [Agency name], under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

### Making a request

FOI requests can be lodged online at <https://ovic.vic.gov.au>. An application fee of **\$31.80** applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

Access to documents can also be obtained through a written request to [Agency name]'s Freedom of Information team, as detailed in s17 of the *Freedom of Information Act* 1982.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of [Agency name] should be addressed to:

[\[Name and contact details of the Freedom of Information Team\]](#)

### FOI statistics/timeliness

During 2022-23, [Agency name] received [25] applications. Of these requests,

- [5] were from Members of Parliament;
- [10] from the media; and
- the remainder were from the general public.
- [Agency name] made [23] FOI decisions during the 12 months ended 30 June 2023.
- [10] decisions were made within the statutory 30-day time period;
- [6] decisions within an extended statutory 30–45-day time period;
- [5] decisions within 46 to 90 days; and
- [two] decisions in greater than 90 days.

The average time taken to finalise requests in 2022-23 was [20] days.

During 2022-23, one request was subject to a complaint/internal review by OVIC, with two progressing to VCAT.

### Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and [Freedom of Information - Office of the Victorian Information Commissioner](#) ([ovic.vic.gov.au](https://ovic.vic.gov.au))

## 12.8 Compliance with *Building Act* 1993 (FRD 22 & the Building Act)

If your agency **owns** or **controls** a building, then it must include in its Report of Operations a **statement on its compliance** with the building and maintenance provisions of the *Building Act* 1993.<sup>95</sup>

An agency's statement on compliance with the building and maintenance provisions of the *Building Act* 1993 **should also** be taken to refer to the **Regulations** made under the *Building Act* 1993 as well as the relevant provisions of the **National Construction Code**.

This statement **must** include the following information for **each** building that it **owns or controls**, for the reporting period:

- mechanisms to ensure that buildings conform with the building standards;
- major works projects (greater than \$50 000);
- the number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by the agency;
- mechanisms for inspection, reporting, scheduling and carrying out of rectification and maintenance works on existing buildings;
- the number of emergency orders and building orders issued in relation to buildings;
- the number of buildings that have been brought into conformity during the reporting period.



Entities should be aware that an audit of government owned and leased buildings was undertaken to consider the use of combustible cladding. Audit outcomes may have found non-compliance which may need to be considered when making statements relating to compliance with the *Building Act* 1993 depending on whether or not those audit outcomes have been addressed through rectification works. A small number of DEECA entities own or control a building that fell within the scope of this audit for program funding.<sup>96</sup>

### Example nil-disclosure

If your agency does not own or control any government buildings, you still need to include a statement to that effect, identifying that it is exempt from notifying its compliance with the building and maintenance provisions of the Act.

#### Compliance with Building Act 1993

[Agency name] does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the Building Act 1993.

X2

The disclosure in the Report of Operations must be referenced twice in the disclosure index, once under FRD 22 and once under the Legislation section of the index under the heading of *Building Act* 1993.

<sup>95</sup> FRD 22.5.18(b)

<sup>96</sup> As advised by DEECA's Executive Director, Building Policy Program and Governance on 29 July 2020 and confirmed as still current guidance on 8 June 2021.

## Example disclosure

### Compliance with Building Act 1993

[Agency name] owns or controls [number e.g. one] government building located at [address] and consequently is required to include a statement on its compliance with the building and maintenance provisions of the Building Act 1993 in relation to that building.

*[Describe: (i) mechanisms to ensure that buildings conform with the building standards; and (ii) mechanisms for inspection, reporting, scheduling and carrying out of rectification and maintenance works on existing buildings. (Example below)]*

[Agency] requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by the [Agency] and that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the Building Act 1993, Building Regulations 2018 and the National Construction Code.

In relation to existing buildings, [Agency]'s Asset Maintenance Unit is responsible for mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards, monthly, quarterly and bi-annual inspection and preventive maintenance routine of mechanical services and monthly and annual fire service audits. These inspections then inform the works program which is delivered annually through existing maintenance contracts.

In 2022-23: [Report on the following matters]

|  |  |
|--|--|
| ▪ Number of major works projects undertaken (>\$50 000)  | 4  |
| ▪ number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned | 5 building permits<br>0 occupancy permits<br>3 certificates of occupancy |
| ▪ number of emergency orders and building orders issued in relation to buildings   | 0 emergency orders<br>0 building orders                                  |
| ▪ number of buildings that have been brought into conformity with building standards during the year                     | 0 buildings brought into conformity                                      |

## 12.9 Competitive Neutrality Policy (FRD 22)

### What is competition neutrality?

Competitive neutrality is about ensuring that significant government business activities compete fairly in the market – and on an equal footing. Government owned businesses may not always compete on equal terms because of advantages that arise solely from their public ownership (for example, tax exemptions).

### What is the Competitive Neutrality Policy?

The Competitive Neutrality Policy expects Government-owned businesses to compete with private sector businesses on the same footing (subject to certain exemptions).

The CN Policy sets out the Victorian Government's approach to competitive neutrality and requires government entities to apply measures to account for these advantages unless there are clear public interest reasons for not doing so.

### What information must be disclosed?

FRD 22 states that an entity's annual report must include:

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‘a **statement**, to the extent applicable, on the **implementation** and **compliance** with National Competition Policy, including compliance with the requirements of the policy statement ‘Competitive Neutrality Policy Victoria’ and any subsequent reforms’.<sup>97</sup>

The National Competition Policy concluded several years ago. However agencies are still required to comply with the Victorian Competitive Neutrality Policy (CN Policy).

The example MRO disclosure refers to both the *Competition Principles Agreement*<sup>98</sup> and the *Competition and Infrastructure Reform Agreement*.<sup>99</sup> However your agency may continue to refer to the Victorian Government’s *Competition Neutrality Policy* in its disclosure.

It is also acceptable to refer to both the *Competition Principles Agreement* and the ‘*Competition and Infrastructure Reform Agreement*’ – which are agreements containing commitments made by the Victorian government from which the CN Policy originated.

## Example disclosure

### Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

[Agency name] continues to comply with the requirements of the Competitive Neutrality Policy.

## Further information

Better Regulation Victoria is responsible for advising government entities about how to comply with the CN Policy as well as considering complaints made against government-owned business activities. Please contact Better Regulation Victoria if you have any questions about the policy (E: [contact@betterreg.vic.gov.au](mailto:contact@betterreg.vic.gov.au)).

The following key resources about competitive neutrality are available from Better Regulation Victoria’s website ([www.vic.gov.au/better-regulation-victoria](http://www.vic.gov.au/better-regulation-victoria)):

- the Victorian Government’s *Competitive Neutrality Policy*.
- *Competitive Neutrality Guide to Implementation*<sup>100</sup>
- additional guidance on topics such as how to determine if a business activity is significant.

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<sup>97</sup> FRD 22.5.18(e).

<sup>98</sup> In April 1995, the Australian Government and all state and territory governments signed three inter-governmental agreements relating to the implementation of National Competition Policy (NCP). These agreements include the Conduct Code Agreement (CCA), the Competition Principles Agreement (CPA), and the Agreement to Implement NCP and Related Reforms. The Competition Principles Agreement set out the principles agreed by governments for implementing the National Competition Policy, including on prices oversight, structural reform of public monopolies, review and reform of restrictive regulation, competitive neutrality and third party access to infrastructure services, and the application of these principles to local government.

<sup>99</sup> The Competition and Infrastructure Reform Agreement (CIRA) signed by COAG on 10 Feb 2006 to provide for a simpler and consistent national approach to the economic regulation of significant infrastructure.

<sup>100</sup> available at: <https://www.vic.gov.au/competitive-neutrality>



## 12.10 Public Interest Disclosures Act 2012 (FRD 22 & PID Act)

### Who is required to comply?

All FMA 'public bodies' must include this disclosure in their Report of Operations.<sup>101</sup>

### Disclosures required

FRD 22<sup>102</sup> and the *Public Interest Disclosures Act 2012* (PID Act) require your agency to include in its Report of Operations:

- a summary of the **application** and **operation** of the PID Act, including the disclosures required by that Act; and
- details on **how to access the procedures** that your agency is required to establish for the protection of persons from detrimental action taken by the public body or members, officers or employees of the public body.<sup>103</sup>

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<sup>101</sup> This disclosure is both a requirement of FRD 22 and of section 70(1) of the PID Act. All DEECA agencies are required to comply with s.70(1) of the PID Act because they have an obligation in an Act (i.e. the FM Act and usually their establishing Act) to prepare an annual report. (see section 70(1)(a), PID Act)

<sup>102</sup> FRD 22.5.18(c) requires an agency to include a 'summary of the application and operation of the PID Act' in its Report of Operations, 'including the disclosures required by the PID Act'.

<sup>103</sup> Section 70(5) of the PID Act requires a public body to "establish procedures for the protection of persons from detrimental action in contravention of section 45 taken by the public body or members, officers or employees of the public body".  
Section 58(5) of the PID Act provides that: "A public body must establish procedures for the protection of persons from detrimental action in contravention of section 45 taken by the public body or members, officers or employees of the public body".

Section 59 of the PID Act provides that an entity required to establish procedures under section 58 must ensure those procedures are readily available to the public, employees and others.

## Example disclosure

### Compliance with the Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* (PID Act) enables people to make a disclosure about corrupt or improper conduct by a public officer or a public body.

[Agency Name] is a public body for the purposes of the PID Act.

#### What is a public interest disclosure?

A public interest disclosure is a complaint of corrupt or improper conduct or detrimental action by a public officer or a public body.

'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.

'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

#### How do I make a public interest disclosure?

You can make a public interest disclosure about [Agency Name] or its board members, officers or employees by contacting IBAC (details below).

[Agency Name] is not able to receive public interest disclosures.

[Agency Name] has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about [Agency Name], its board members, officers or employees. You can access [Agency Name]'s procedures on its website at: [\[www.Link to procedures on agency's website\]](#).

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000.

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au) Phone: 1300 735 135

Email: See the website above for the secure email disclosure process, which also provides for anonymous disclosures.

## 12.11 Disability Act 2006 ★



The Victorian Government released its new state disability plan (*Inclusive Victoria: State disability plan 2022-2026*) (Inclusive Victoria) in March 2022. It replaced the previous plan (*Absolutely everyone: state disability plan for 2017-2020*).

### Who is required to make this disclosure?

If your agency is a 'public sector body' for the purposes of section 38 of the *Disability Act 2006*, then it will be required to make a disclosure on its compliance with the 'Disability Act' in its Report of Operations, in accordance with section 38(3).

DEECA entities that are a 'public sector body' are<sup>104</sup>:

- five water corporations<sup>105</sup>
- the Environment Protection Authority;
- Zoological Parks and Gardens Board; and
- Parks Victoria.

It is **optional** for other DEECA entities to make a similar disclosure.

<sup>104</sup> Entities that have been prescribed to be 'public sector bodies' are listed in section 8 of the *Disability Regulations 2018*, current as at the date of publication of this guide. The list of public sector bodies has remained the same in the two previous versions of these regulations (i.e. the *Disability Regulations 2007* and the *Disability Amendment Act 2009*).

<sup>105</sup> Barwon Region Water Corporation, Central Gippsland Region Water Corporation, Goulburn-Murray Rural Water Corporation, Grampians Wimmera Mallee Water Corporation and Melbourne Water Corporation.

## What does the Act require?

The Act states that a public sector body must:

- ensure that a Disability Action Plan is prepared in accordance with section 38(3) of the Act;<sup>106</sup> and
- report on the implementation of their Disability Action Plan in its annual report.

## What is a Disability Action Plan?

|                                 |   |
|---------------------------------|---|
| <b>'Disability action plan'</b> | <p>A 'disability action plan' is a strategic plan which helps an agency to:</p> <ul style="list-style-type: none"><li>• remove <b>barriers</b> that prevent people with a disability from using the agency's goods, services and facilities, and from gaining and keeping employment;</li><li>• promote inclusion and participation in the community of persons with a disability; and</li><li>• achieve changes in attitudes and practices that may result in discrimination against a person with disability.</li></ul> |
|---------------------------------|---|

In an agency's Disability Action Plan, the agency should commit to targets that support these purposes that the agency will achieve over the duration of the plan.

These targets should be clear, measurable, with a delivery date/s.

Note: A Disability Action Plan may also be a Workforce Inclusion Plan.

## How do I report on implementation of my agency's Disability Action Plan?

Entities should include a report on their progress towards achieving the targets that they committed to in their Disability Action Plan.

This could be done by listing the achievements that your agency has achieved in the reporting period and/or reporting on your agency's progress against key performance indicators.

Better practice reporting would explain variances.

## Example disclosure

### Compliance with the *Disability Act 2006*

The *Disability Act 2006* requires [Agency Name] to prepare a disability action plan and report on its implementation in their annual report. [Agency Name]'s disability action plan, '[name and date of plan]' is a five year plan that [describe]. In the reporting period [Agency Name] has:

- [list achievements and/or report on progress against key performance indicators that the agency has committed to in its action plan].

[Agency Name]'s disability action plan is aligned with *Inclusive Victoria: State disability plan 2022-2026*

*Inclusive Victoria: state disability plan (2022–2026)* is Victoria's plan for making things fairer for people with disability. The plan is a key way for the Victorian Government to be accountable for making all parts of the community inclusive and accessible for everyone.



For those DEECA agencies that are 'public sector bodies' for the purposes of the *Disability Act 2006*, a reference to the '*Disability Act 2006*' must be included in your agency's Disclosure Index (in the list of Legislation).

<sup>106</sup> A Disability Action Plan must be prepared for the purpose of:

- (a) reducing barriers to persons with a disability accessing goods, services and facilities;
- (b) reducing barriers to persons with a disability obtaining and maintaining employment;
- (c) promoting inclusion and participation in the community of persons with a disability; and
- (d) achieving tangible changes in attitudes and practices which discriminate against persons with a disability.

## Further information

Further information can be located on the Office for Disability's website (<https://www.dffh.vic.gov.au/office-disability>). Questions about the Disability Plan should be directed to the Office for Disability (E: [ofd@dffh.vic.gov.au](mailto:ofd@dffh.vic.gov.au)) (T: 1300 880 043).

## 12.12 Establishing Act

Your agency *may* be required to make additional disclosures in its annual report under:

- its establishing (or enabling) Act;
- a Ministerial Direction; or
- Statement of Expectations or Statement of Obligations.

A disclosure is made in the MRO by the department in accordance with the (fictional) *Technology Act 1991*. That disclosure provides some guidance.



This guide only discusses the types of reporting obligations that apply to most agencies. Consider whether your agency has obligations under other Acts, which require it to report on certain matters in its annual report.

## 12.13 Emergency Procurement disclosure (FRD 22) ★



FRD 22 contains a new requirement (in FRD 22.5.19) to make an emergency procurement disclosure in their Report of Operations. This requirement applies to entities that are required to comply with the Victorian Government Purchasing Board (VGPB) goods and services supply policies.

### Which entities are required to make this disclosure?

FRD 22.5.19 applies to an FMA 'public body' that is required to comply with the Victorian Government Purchasing Board (VGPB) goods and services supply policies.

VGPB policies apply to departments and specified entities including VGPB expansion agencies from 1 July 2021.<sup>107</sup> The table below lists the DEECA entities that are subject to VGPB supply policies, as listed on the Buying for Victoria website (current on the date of publication of this guide).<sup>108</sup>

<sup>107</sup> The VGPB expansion took effect on 1 July 2021. 'Specified entities' (or VGPB expansion entities) were required to align with VGPB policies by 30 June 2022. Since July 2022 a new emergency procurement policy has applied to goods and services procurement (replacing the critical incident policy). That policy required agencies to develop an emergency procurement plan that complied with the Emergency Procurement part of the Governance – Goods and service policy by 1 December 2022.

<sup>108</sup> Source: <https://www.buyingfor.vic.gov.au/goods-and-services-mandated-agencies> (at last review date).

## DEECA entities that are required to comply with VGPB goods and services supply policies

|  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Environment Protection Authority</li><li>• Sustainability Victoria</li><li>• Parks Victoria</li><li>• Zoological Parks and Gardens Board</li><li>• Royal Botanic Gardens Board Victoria</li><li>• Phillip Island Nature Park Board of Management</li><li>• Alpine Resorts Victoria</li><li>• Energy Safe Victoria</li><li>• Great Ocean Road Coast and Parks Authority</li></ul> | <ul style="list-style-type: none"><li>• Water Corporations x 18</li><li>• Catchment Management Authorities (CMAs) x 9</li><li>• Dairy Food Safety Victoria</li><li>• Melbourne Market Authority</li><li>• PrimeSafe</li><li>• Veterinary Practitioners Registration Board of Victoria</li><li>• VicForests</li></ul> |
|--|--|

## What is 'emergency procurement'?

'Emergency procurement' refers to procurement activity undertaken by an entity in response to an emergency.

The purpose of emergency procurement is to ensure an entity is able to procure goods and services in a manner that enables urgent and effective response to an emergency while maintaining Victorian Government values, transparency, responsibility, and accountability for the spending of public money.

Emergency procurement gives an entity greater flexibility and an abbreviated procurement process, which heightens the risk involved. This is why emergency procurement is the focus of the new disclosure requirement.



In the event of an emergency, there is no requirement that an agency activate its Emergency Procurement policy (for example, if an entity is well prepared it may not need to activate its EP policy). An entity can continue to procure goods and services using its routine policies. It is only when an entity activates its EP policy that it needs to make a detailed emergency procurement disclosure.

## What must be included in this disclosure?

FRD 22.5.19

### 5.19 Disclosure of Emergency Procurement

This section only applies to emergency procurement of goods and services within the scope of Victorian Government Purchasing Board procurement framework.

The Accountable Officer of each entity is responsible for ensuring that activation of emergency procurement is reported in their annual report.

Entities must report activation of Emergency Procurement in their annual report including the following details related to each activation:

- the nature of the emergency;
- the date the emergency procurement policy was activated;
- a summary of the goods and services procured;
- total spent on goods and services\*; and
- the number of new contracts\* awarded valued at \$100,000 (GST inclusive) or more.

(\*See key terms below)

Definitions of **key terms** used in FRD 22.5.19 are provided in the MRO (at page 59) and included below.

The MRO also provides the following further details about the new disclosure:

MRO  
(p.59)

- Contracts awarded by the agency that are not in response to the emergency (routine procurements) are **excluded**.
- If an agency's activation of emergency procurement spans **more than one financial year**, the agency must report emergency procurement activities for the year in which they occur. Entities should note in their reporting if activation of emergency procurement did not cease by the end of the financial year or continued from activation in the previous financial year.
- The reporting requirements above are the **minimum** required to be included in the agency's annual report. Entities may include **additional details**, as appropriate, to assist with transparency in their reporting of emergency procurement.
- In complying with these requirements, the Accountable Officer should have regard to the following documents and other relevant material:
- 'VGPB Governance Policy - Emergency Procurement'
- 'VGPB Develop an emergency procurement plan – Goods and services guide'<sup>109</sup>
- If an agency has not activated their Emergency Procurement Policy in the relevant year, then they must make a 'nil disclosure'.

## Example disclosure

### Emergency Procurement [FRD 22.5.19]

In 2022- 23, the Agriculture Authority activated Emergency Procurement on one occasion in accordance with the requirements of government policy and accompanying guidelines. One new contract, valued at or more than \$100 000 (GST inclusive), were awarded in connection with the emergency, as described below.

| Nature of Emergency | Date of activation | Summary of goods and services procured under new contracts  | Total spend on goods and services in response to the emergency | Number of new contracts awarded valued at \$100 000 (incl. GST) or more |
|---------------------|--------------------|---|--|---|
| COVID-19 pandemic   | 1 July 2022        | <ul style="list-style-type: none"> <li>• Laptop supplies to set up working from home for employees</li> <li>• Increased remote server security for online document storage (content manager)</li> </ul> | \$110 000 <sup>(a)</sup>                                       | 1   |

(a) This is the total of all expenditure, including contracts under and over \$100 000.

<sup>109</sup> <https://www.buyingfor.vic.gov.au/develop-emergency-procurement-plan-goods-and-service-guide>

## Key terms

|                                     |   |
|-------------------------------------|---|
| 'Total spend on goods and services' | The <b>'total spend on goods and services'</b> refers to all expenditures incurred by an agency in response to the emergency, following activation of emergency procurement. This includes new procurements, variations and purchases made under pre-existing contractual arrangements.   |
| Number of new contracts             | The <b>number of new contracts</b> valued at \$100 000 or more (GST inclusive) includes those new contracts entered into by the agency to respond to an emergency during the emergency procurement activation period. A summary description of the goods and services procured under each of these new contracts is to be provided. |

## Nil report statement

An explicit statement of 'nil reports' is required where emergency procurement was not activated, resulting in nil spending for emergency procurements. The 'nil report' statement is to be included in the same section as activation of emergency procurement would be reported in the model report.

## Further information

Please refer to the Buying for Victoria website for key resources including:

- VGPB's *'Governance – Goods and Services Policy'* (including Emergency Procurement).
- VGPB *'Develop an emergency procurement plan – Goods and services guide'*.
- *'Emergency procurement plan template - goods and services'*<sup>110</sup>

Any questions should be directed to Buying for Victoria (E: [vgpb@dtf.vic.gov.au](mailto:vgpb@dtf.vic.gov.au)) (T: (03) 7005 9138)

## 12.14 Environmental Reporting (FRD 24) ★

|   |   |
|---|---|
| ★ | <p>New FRD 24 (<i>Reporting of environmental data by government entities</i>) came into effect <b>on 1 July 2022</b>, with entities required to make a disclosure in their 2022-23 annual report for the first time against the new requirements.</p> <p>Reporting obligations vary depending on agency size and impact.</p> <p>The scope of an agency's obligations under the new FRD 24 will extend beyond office-based activities to all areas of an agency's operations.</p> <p>Environmental reporting will help track the Victorian Government's contribution to reaching net-zero emissions for the state by 2050.</p> |
|---|---|

### Which entities are subject to the new FRD 24?

FRD 24 states that all entities that are FMA 'public bodies', except for universities, are required to comply.

However both FRD 24 and the associated guidance makes it clear that it is only entities that are subject to the Standing Directions that are required to comply with FRD 24.<sup>111</sup>

All other entities are encouraged to comply with FRD 24.

### Reporting Tiers

In recognition of the substantial variations that exist in public sector agency size, environmental impact and capability, a tiered approach for FRD 24 has been developed.

<sup>110</sup>

<sup>111</sup> See: *'Guidance on the application of reporting tiers under FRD 24'* available from DTF's website.



Entities are classified into reporting tiers, which summarised below for DEECA entities. Each tier has different reporting and disclosure requirements, which are outlined in FRD 24.

| Tier  | DEECA entities  |   |
|---|---|---|
| <b>Tier 2</b><br>Individually material entities           | <ul style="list-style-type: none"> <li>EPA</li> <li>Sustainability Victoria</li> <li>Greater Western Water</li> </ul>                     | <ul style="list-style-type: none"> <li>Melbourne Water</li> <li>South East Water</li> <li>Yarra Valley Water</li> </ul> |
| <b>Tier 3b</b><br>Collectively material entities (Part B) | <ul style="list-style-type: none"> <li>Melbourne Market Authority</li> <li>Parks Victoria</li> <li>regional Water Corporations</li> </ul> | <ul style="list-style-type: none"> <li>VicForests</li> <li>Zoos Victoria</li> </ul>                                     |
| <b>Tier 4</b>   | All other DEECA entities required to comply with Standing Directions.   |   |

## Overview of reporting requirements for each Tier

FRD 24 details which reporting indicators entities from each Tier need to report against and explains each indicator. Indicators have been assigned an alphanumeric title, as shown below, for ease of reference.

| Indicator category                       | Indicator |
|--|-----------|
| Electricity production and consumption   | EL1 - EL4 |
| Stationary fuel use                      | F1 - F2   |
| Transportation                           | T1 – T4   |
| Total energy use                         | E1 – E4   |
| Sustainable Buildings and infrastructure | B1 - B5   |
| Water consumption                        | W1 - W2   |
| Waste and recycling                      | WR1 - WR5 |
| Greenhouse gas emissions                 | G1 – G3   |

The table below summarises which indicators entities in each Tier must report against.

|         | EL1 | EL2 | EL3 | EL4 | F1 | F2 | T1 | T2 | T3 | T4 | E1 | E2 | E3 | E4 | B1 | B2 | B3 | B4 | B5 | W1 | W2 | WR1 | WR2 | WR3 | WR4 | WR5 | G1 | G2 | G3 | Total |
|---------|-----|-----|-----|-----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|-----|-----|-----|-----|----|----|----|-------|
| Tier 1  |     |     |     |     |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |     |     |     |     |     |    |    |    | 29    |
| Tier 2  |     |     |     |     |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |     |     |     |     |     |    |    |    | 29    |
| Tier 3a |     |     |     |     |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |     |     |     |     |     |    |    |    | 27    |
| Tier 3b |     |     |     |     |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |     |     |     |     |     |    |    |    | 19    |
| Tier 4  |     |     |     |     |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |     |     |     |     |     |    |    |    | 4     |

Please refer to FRD 24 for details about each indicator.



Tier 4 entities have minimal FRD 24 reporting requirements, as shown in the table above. However Tier 4 entities may instead decide to make a simple disclosure in their report of operations. These options are explained in FRD 24 and below in more detail.

## What must be included in your disclosure?

|            |   |
|------------|---|
| FRD 24.4.2 | <p>In accordance with the <b>disclosure requirements for each tier</b> and the procedures described in paragraphs 5-13 of FRD 24, entities must disclose aspects of:</p> <ul style="list-style-type: none"><li>• electricity production and consumption</li><li>• stationary fuel use</li><li>• transportation</li><li>• total energy use</li><li>• sustainable buildings and infrastructure</li><li>• sustainable procurement</li><li>• water use</li><li>• waste and recycling</li><li>• greenhouse gas emissions</li><li>• associated information relevant to understanding and improving the sustainability of their operations</li></ul> |
|------------|---|

Data on all indicators that are mandatory for your agency's tier must be included.

Entities should include data for the **current year** and **2 prior years** in their report of operations.

### Commentary to explain data

- Accompanying text for each table that discusses trends and any relevant sustainability actions
- Entities are expected to include explanatory footnotes to any tables included in their disclosure that identify where estimates have been used or future steps to improve data availability. Only the simplest, office-based agency is likely to have no table footnotes.

## Your agency's organisational boundary

|            |  |
|------------|--|
| FRD 24.4.3 | <p>All entities must disclose the <b>organisational boundary</b> of the entity for the purpose of environmental reporting, including any other entities, leases and service concessions that are included within the entity's reporting.</p> |
|------------|--|

Your FRD 24 reporting should describe your organisational boundary for environmental reporting. This will be different for each entity depending on their operations and agreements.

Your agency's organisational boundary includes:

- Your assets and facilities including those you lease or otherwise operate.
- Other government entities where their reporting gets consolidated (e.g. Section 53 of the FMA) or by other agreement
- Public private partnerships where environmental policy is in operational control (but not assets you lease through a standard commercial leasing arrangement)

## Data availability, and continuous improvement

|            |  |
|------------|--|
| FRD 24.4.4 | <p>To meet the requirements for reporting on indicators, an entity must disclose in its Annual Report of Operations either:</p> <ul style="list-style-type: none"><li>• the relevant data, or</li><li>• where it is <b>impracticable</b> to report the relevant data, an <b>estimate</b> of the data required for the indicator and the assumptions and methods used to determine that estimate, or</li><li>• where it is <b>impracticable</b> to report either the relevant data or an estimation, an <b>explanatory note</b> on planned activities to improve data collection for future Annual Reports.</li></ul> |
|------------|--|

## Materiality and completeness

|            |  |
|------------|--|
| FRD 24.4.5 | Entities should <b>quantify</b> all material activities.<br>“Material activities” are those that contribute 1% or more of the entity’s Scope 1 and Scope 2 Greenhouse Gas emissions.<br>When applying this threshold, activities that are not quantified should not collectively exceed an estimated total of 5% of the entity’s Scope 1 and Scope 2 emissions. Where materiality estimates have been made, they should be included in the entity’s Annual Report of Operations. |
|------------|--|

|   |  |
|---|--|
| ✓ | Water corporations are expected to look a little different to the example disclosures in the MRO, as they have Ministerial Reporting Directions that overlap with FRD 24 and their own recommended templates |
|---|--|

## Tier 4 entities & simple disclosure

Tier 4 entities have minimal FRD 24 reporting requirements. They are required to report on **either**:

- Electricity Consumption (EL1) and Electricity Offsets (ie GreenPower) (EL4); Fleet composition (T2), and Office accommodation (B3); OR
- make a ‘simple disclosure’.

Note that most Tier 4 entities are unlikely to need to make a disclosure for the B3 indicator.

A Tier 4 entity may elect to make a simple disclosure when **ALL** material consumption across **ALL** the four indicators is sourced through central procurement arrangements.

Tier 4 entities are not required to report on FRD 24 indicators if all material energy and transport use is captured through the State Purchase Contracts, HealthShare Victoria Contracts, Shared Service Provider, their portfolio department or by any other public sector agency.

In this circumstances, a Tier 4 entity can comply with FRD 24 with a simple disclosure in their annual report, that outlines these arrangements. A paragraph that discloses their service level agreement or other arrangement is sufficient.

|   |  |
|---|--|
| ! | Please note that simple disclosure is an <b>either/or</b> proposition. There should either be: <ul style="list-style-type: none"><li>• a paragraph that discloses their service level agreement or other arrangement, <b>or</b></li><li>• full disclosure of the 3-4 relevant Tier 4 indicators.</li></ul> |
|---|--|

## Example disclosure

For an example disclosure, please refer to the disclosure in the Model Report (on pages 60 to 67).

This disclosure is for a Tier 1 entity and so contains additional details that may not be relevant to a DEECA entity.

## Further information

Please refer to the following additional resources for further information:

- [FRD 24 Reporting of environmental data by government entities \(new Direction\)](#) – What departments and public sector entities must disclose in their 2022-23 annual report.
- [Guidance on environmental disclosures under FRD 24 \(new guidance\)](#) How to collect, collate and disclose environmental data to meet FRD 24 requirements.

- Guidance on the application of reporting tiers under FRD 24 (new guidance) – What tier does my organisation belong to? Each tier is subject to different disclosure requirements (as listed in Appendix 2 of FRD 24).
- The Model Report for Victorian Government Departments – The Model Report includes guidance and illustrative disclosures for FRD 24 reporting for Tier 1 entities.
- DEECA website <https://www.climatechange.vic.gov.au/victorian-government-action-on-climate-change/government-environmental-reporting>
- Environmental Data Reporting Tool (and quick reference guide) – Macro enabled Excel workbook to help you collate, analyse and prepare quantitative data for FTD 24 reporting.
- FRD 24 Activity and Data Collection worksheet – worksheet to help entities with planning their FRD 24 data collection.

## Contact

If you have any questions, please contact the Government Emissions team at DEECA on the new email address:

[Environmental.Reporting@delwp.vic.gov.au](mailto:Environmental.Reporting@delwp.vic.gov.au)

## 12.15 Compliance with DataVic Access Policy (*optional*) (MRO)

The MRO encourages public bodies (and departments) to make a disclosure in their Report of Operations, on their compliance with the Victorian Government's DataVic Access Policy (2012).

The DataVic Access Policy expects Victorian Government agencies to share data at no, or at minimal cost to users. Data is to be supplied in a machine-readable format to maximise use and minimise access costs.

Your agency is encouraged to:

- include a **statement** detailing any information in the annual report that it has **submitted to DataVic**, and noting the machine-readable formats that the data is available in. Note: suitable formats are CSV, XLS, XML etc. PDF and Word are not suitable formats.
- incorporate DataVic Access Policy **achievements** in its annual report. The commentary in the MRO provides examples of such achievements.

## Example disclosure

An example disclosure is set out below. Also refer to the disclosure in the MRO (on page 69)

### Compliance with DataVic Access Policy

Consistent with the Victorian Government's DataVic Access Policy (2012), the [Agency Name] made [insert number] data sets available on the DataVic website in 2022-23.

Information included in this Annual Report will also be made available at <http://www.data.vic.gov.au/> in the following electronic readable formats: *[Note: suitable formats are: CSV, XLS, XML etc.]*.

*[Your agency may also want to detail other Data Vic Access Policy achievements. For example:*

Since the policy was introduced, [Agency Name] has made available to the public:

- *[list Agency's achievements. e.g. any known benefits of making datasets available achieved to date]*

## Further information

- The DataVic Access Policy and Guidelines are available at: <https://www.data.vic.gov.au/datavic-access-policy-guidelines>
- Victoria's Open Data Directory is available at: <https://www.data.vic.gov.au/>

## 12.16 Statement of availability of other information (FRD 22)

FRD 22 requires a Report of Operations to contain a **statement** indicating that the following information is **available on request, either partially or fully**, subject to the *Freedom of Information Act 1982*:

- a statement that **declarations of pecuniary interests** have been duly completed by all relevant officers
- details of **shares** held by a senior officer as nominee, or held beneficially in a statutory authority or subsidiary
- details of **publications** produced by the agency about itself, and how these can be obtained
- details of **changes** in prices, fees, charges, rates and levies charged by the agency
- details of any major **external reviews** carried out on the agency
- details of **major research** and **development activities** undertaken by the agency
- details of **overseas visits** undertaken, including a summary of the objectives and outcomes of each visit
- details of major **promotional**, public relations and marketing **activities** undertaken by the agency to develop community awareness of the agency and its services
- details of assessments and measures undertaken to improve the **occupational health and safety** of employees
- a general statement on **industrial relations** within the agency, and details of time lost through industrial accidents and disputes
- a list of the agency's **major committees**, the purposes of each committee, and the extent to which the purposes have been achieved
- details of **all consultancies** and **contractors**, including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

The statement should also include the **contact details** for the person who receives these requests at your agency.

### When should this information be prepared?

This information must be **available on request** on the **date of your annual report**.

It is responsibility of your agency's Accountable Officer to make sure this information has been prepared or collected on the date of the report.



The Auditor General may refuse to finalise its audit of your agency's annual report if this information is not available.

### Information that is not applicable to your agency

Not all of the information prescribed by FRD 22 will apply to your agency. If certain information does not apply, state this in the Report of Operations. For example, the following will generally not apply to agencies:

- a declaration of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary (i.e. paragraph 6.19(b), FRD 22)
- details of overseas visits undertaken (i.e. paragraph 6.19(g), FRD 22).

Refer to DTF's [Guidance Note on FRD 22](#) for further details.

## Example disclosure

### **Additional information available on request**

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by [Agency Name] and are available (in full) on request, subject to the provisions of the *Freedom of Information Act 1982*:

- (a) details of publications produced by [Agency Name] about itself, and how these can be obtained
- (b) details of any major external reviews carried out on [Agency Name]
- (c) details of major research and development activities undertaken by [Agency Name]
- (d) details of major promotional, public relations and marketing activities undertaken by [Agency Name] to develop community awareness of the agency and its services
- (e) details of changes in prices, fees, charges, rates and levies charged.

The information is available on request from:

[Name & Title]

[Agency Name]

Phone: (03) 9xxx xxxx

Email: [email address]

### **Additional information included in annual report**

Details in respect of the following items have been included in [Agency Name]'s annual report, on the pages indicated below:

- (f) assessments and measures undertaken to improve the occupational health and safety of employees (on page #)
- (g) a statement on industrial relations within [Agency Name] (on page #)
- (h) a list of [Agency Name]'s major committees, the purposes of each committee, and the extent to which the purposes have been achieved (on page #)
- (i) a statement of completion of declarations of pecuniary interests by relevant officers (on page #).

Information that is not applicable to [Agency Name]

The following information is not relevant to [Agency Name] for the reasons set out below:

- (j) a declaration of shares held by senior officers (No shares have ever been issued in [Agency Name])
- (k) details of overseas visits undertaken (No board members or senior executives took overseas work related trips.)

## 12.17 Asset Management Accountability Framework (FRD 22) ★



An AMAF disclosure is not **required in an agency's 2022-23 annual report**.

### Which entities are required to make an AMAF disclosure?

Any entity that is an FMA 'public body' and required to comply with the Asset Management Accountability Framework (AMAF) must make an AMAF disclosure in accordance with FRD 22.5.18 and the AMAF.

### When are entities required to make an AMAF disclosure?

An entity's board must, at least **every three years**, conduct a self-assessment of the level of asset management maturity within their organisation and include a summary of that assessment in their annual reports, with the first disclosure required in their 2020-21 annual report.<sup>112</sup>

The next time an AMAF disclosure will be mandatory is in **2023-24**.

For agencies with **no asset** base, refer to Standing Direction 1.5 for guidance.

<sup>112</sup> Source: FRD 22.5.18 and the Asset Management Accountability Framework (AMAF). This includes agencies with a 31 December EOFY.

## What is the AMAF?

The AMAF contains 41 mandatory requirements.

Entities are required to attest to their compliance with those requirements annually.

Every three years, the AMAF requires agencies to conduct a self-assessment of the level of asset management maturity across their organisation. A summary of that assessment must be included in your agency's annual report (i.e. Every three years).

## What is an AMAF maturity assessment?

The AMAF explains what should be evaluated as part of its maturity assessment:

---

“Commencing in 2021-22, Responsible Bodies must, at least every three years, conduct a self-assessment of the level of asset management maturity within their organisation. As part of this self-assessment, Responsible Bodies must evaluate:

- the maturity of their asset management systems and practices;
- the maturity of their systems and practices against their aspirational target; and
- their path towards achieving their aspirational target.”<sup>113</sup>

DTF's guidance explains how an agency should do a self-assessment of the organisation's asset management maturity.<sup>114</sup> This guidance:

- states that agencies should **tailor** their approach to compliance depending on the size, complexity and risks associated with their asset holdings; and
- outlines a **rating system** (or rating scale) to be used by all departments and agencies in undertaking maturity self-assessments.<sup>115</sup>

## Maturity Rating Tool

DTF has a compliance tool (i.e. a Maturity Rating Tool) that can be used by agencies to assess their maturity against AMAF requirements. This tool allows entities to:

- establish a target maturity level for the AMAF requirements (which may change over time);
- assess the system status and effectiveness of application for the AMAF requirements;
- present evidence to substantiate an assessment;
- consider whether a compliance deficiency is material; and
- outline remedial actions and a timeframe, where applicable.

This tool allows entities to develop an overall assessment of their asset management maturity which can be readily presented in their annual report (i.e. this tool generates the '**spider graph**' as set out on the following page).<sup>116</sup>

A **rating scale** is outlined in the '*AMAF Guidance Note: Adopting a Risk based approach to AMAF compliance assurance and maturity assessments*', which agencies should use, except if they have obtained DTF's prior consent to using an alternative rating scale.

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<sup>113</sup> No.16b, Appendix 1, AMAF

<sup>114</sup> See: Guidance note: Adopting a risk-based approach to AMAF compliance assurance and maturity assessment (Feb 2021)

<sup>115</sup> This rating system should be used by agencies unless an alternative assessment tool has been discussed with DTF in advance of the commencement of the 2021-22 self-assessment reporting.

<sup>116</sup> Note that the AMAF states that: "Maturity assessments should also be peer reviewed to assure assessments are appropriate and evidence based". It also suggests that maturity assessments should ideally "be informed with input from key business functions covering engineering/maintenance, procurement, information, financial, operations and human resources".

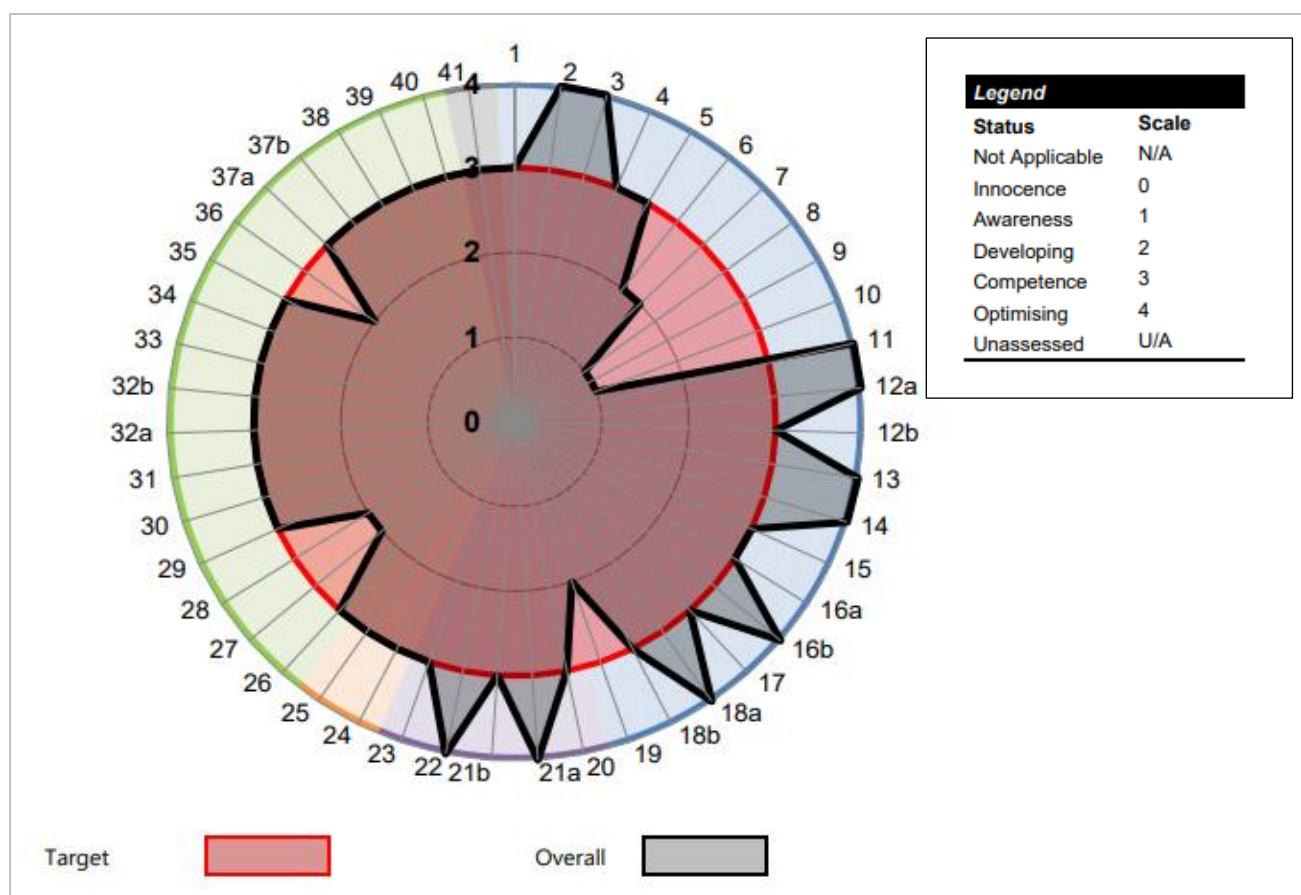


## What information must be included in your AMAF disclosure?

The AMAF requires an agency's AMAF disclosure to include a **summary of the results** of an agency's **maturity assessment**. This summary can be generated using DTF's **Maturity Rating Tool**.

The content that should be included – with example wording – is set out below.

| Content to include   | Example of content  |
|--|---|
| Your agency's <b>overall target maturity rating</b> (i.e. innocence, awareness, competence) and a <b>brief description</b> of what that means.   | The Water Authority's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.  |
| A description of your agency's performance against the target maturity within the five categories areas of: <ul style="list-style-type: none"> <li>• leadership and accountability</li> <li>• planning</li> <li>• acquisition,</li> <li>• operation, and</li> <li>• disposal.</li> </ul> Details should be provided on: <ul style="list-style-type: none"> <li>• areas of non-compliance and material non-compliance including the nature of the requirements and can include details for specific asset classes.</li> <li>• Your agency is encouraged to provide details of the reason for non-compliance, and the plan for and status of improvement.</li> </ul> | <p>Leadership and accountability (requirements 1 to 19)</p> <p>The Water Authority has exceeded its target maturity level under all requirements in this category.</p> <p>Planning (requirements 20 – 23)</p> <p>The Water Authority has met or exceeded its target maturity level in this category.</p> <p>Acquisition (requirements 24 and 25)</p> <p>The Water Authority has met its target maturity level under most of the requirements in this category.</p> <p>Operation (requirements 26-40)</p> <p>The Water Authority has met or exceeded its target maturity level under most of the requirements in this category.</p> <p>The Water Authority did not comply with some requirements in the area of preventative action. Preventative action is an area of material non-compliance. The Authority is developing a plan for improvement to establish processes to proactively identify potential asset performance failures and identify options for preventative action.</p> <p>Disposal (requirement 41)</p> <p>The Water Authority has met its target maturity level in this category.</p> |



**Figure 1: Example 'Spider Graph'**

Credit: 2022-23 Model Report for Victorian Government Departments, April 2023, page 73.

## Further information

Information related to the AMAF can be found via this page on DTF's website:

<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>

Key resources include:

- [Asset Management Accountability Framework \(AMAF\)](#)
- [Asset Management Accountability Framework Implementation Guidance](#)
- [AMAF Guidance note - Intangible Assets](#)
- [Guidance Note: Adopting a risk-based approach to AMAF compliance assurance and maturity assessment](#)
- [Guidance Note: Adopting a risk-based approach to AMAF compliance assurance and maturity assessment](#)
- [AMAF Compliance Tool](#) (i.e. Maturity Rating Tool)
- FRD 22 'Standard disclosures in the Report of Operations'

# 13. Financial Management Compliance Attestation

## 13.1 Requirement

An agency must, in their Report of Operations, include an attestation to their compliance with all applicable Standing Directions and Instructions, over the 12 month reporting period ending on 30 June (SD 5.1.4 and Instruction 5.1).

| SD 5.1.4 | Financial management compliance attestation   |
|----------|---|
| (a)      | The Responsible Body, or a member of the Responsible Body, must, in the Agencies' Annual Report, in relation to the relevant financial year, <b>attest to compliance</b> with applicable requirements in the FMA, these Directions and the Instructions, and <b>disclose all Material Compliance Deficiencies</b> . |
| (b)      | The compliance attestation under Direction 5.1.4(a) must relate to compliance for the entire period of the relevant financial year.   |
| (c)      | The <b>Audit Committee</b> must review the attestation under Direction 5.1.4(a).  |

## 13.2 Who is required to make the attestation?

An entity's responsible body – or a member of the responsible body - must make the attestation.

For most agencies, the responsible body is the **board**. In practice, it would be the **Chair** who would make the financial management compliance attestation, following board approval (and after the audit committee has agreed that the assurances can be given).

If your entity does not have a governing board, then the Accountable Officer would make the attestation (again, after the audit committee has agreed the assurances can be given).

## 13.3 What must be included in the attestation?

### Instruction 2.1

- 2.1 The financial management compliance attestation under Direction 5.1.4 must:
- (a) where the Agency has **not identified any Material Compliance Deficiency** that occurred during the relevant year, attest to the Agency's extent of compliance with the applicable Directions and Instructions in the form set out in **clause 2.2(a)** of Instruction 2.2; and
  - (b) where the Agency has **identified one or more Material Compliance Deficiencies** that occurred during the relevant year, attest to the Agency's extent of compliance with the applicable Directions and Instructions in the form set out in **clause 2.2(b)** of Instruction 2.2.

- 2.2 The Responsible Body's compliance attestation under Direction 5.1.4 must appear in the Annual Report in the following form:

Where the Agency has **not identified a Material Compliance Deficiency** in relation to the relevant year:

#### Financial Management Compliance Attestation Statement

I [name of member of the Responsible Body], on behalf of the Responsible Body, certify that the [Agency Name] has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act* 1994 and Instructions.

[Signature]

[Signatory details]

[date]

Where the Agency has identified **one or more Material Compliance Deficiencies** in relation to the relevant year:

#### Financial Management Compliance Attestation Statement

I [name of member of the Responsible Body], on behalf of the Responsible Body, certify that the [Agency name] has the following Material Compliance Deficiency/ies] with respect to the applicable Standing Directions under the *Financial Management Act* 1994 and Instructions:

[Insert the following with respect to each Material Compliance Deficiency]:

- [Reference to relevant Direction or Instruction, e.g. Direction 3.2.1.2(b)]
- [Brief summary of the reasons for/circumstances of the Material Compliance Deficiency]
- [Details of planned and completed remedial actions].

[Signature]

[Signatory details]

[date]

If your entity has identified any Material Compliance Deficiencies in the 12 month period ending on 30 June, then the statement in your entity's annual report must also:

- disclose the **reasons** for each Material Compliance Deficiency (i.e. the circumstances); and
- disclose **planned** and **completed remedial actions** (i.e. what has or will be done to fix the issue).

This statement does not need to be detailed, just accurate and factual.

## 13.4 Definitions

|                                  |  |
|----------------------------------|--|
| 'Compliance Deficiency'          | An attribute, condition, action or omission that is not fully compliant with a requirement in the <i>Financial Management Act 1994</i> (FMA), Standing Directions and/or Instructions. |
| 'Material Compliance Deficiency' | A Compliance Deficiency that a reasonable person would consider has a material impact on the Agency or the State's reputation, financial position or financial management.             |

### Guidance – Material Compliance Deficiencies

The Department of Treasury and Finance (DTF) issued **additional guidance** in 2018 on assessing 'materiality' and reporting material compliance deficiencies: '*Guidance – Material Compliance Deficiencies*'. Please contact DTF or your relationship manager for a copy.

## 13.5 Audit committee

Any entity's audit committee must review the attestation (SD 5.1.4(a)).<sup>117</sup>

The attestation should take into account the advice of the audit committee under SD 3.2.1.1(f).<sup>118</sup>

## 13.6 Example attestation

### Example attestation - No material compliance deficiency

The board's attestation under Direction 5.1.4 must appear in the Annual Report in the form required by Instruction 2.2 (see 13.3 above) where the Agency has **not** identified a Material Compliance Deficiency in relation to the relevant year:

#### Financial Management Compliance Attestation Statement

I, Jane Smith, Chairperson of the board of the Victorian Waste Commission, on behalf of the Responsible Body, certify that the Victorian Waste Commission has no Material Compliance Deficiencies with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

*[Signature]*

Jane Smith, Chairperson, Victorian Waste Commission

21 September 2023

### Example attestation – with material compliance deficiencies

When an entity has identified one or more material compliance deficiencies in the relevant reporting period, the board's attestation under Direction 5.1.4 must be in the form required by Instruction 2.2 (see 13.3 above).

An example of an attestation statement – where an entity has identified one or more material compliance deficiency in the relevant year – is set out below.

<sup>117</sup> SD 5.1.4(a) does not apply to the DEECA entities that have been granted a full exemption from the Standing Directions for 2021-22 and that apply the Portfolio Financial Management Compliance Framework.

<sup>118</sup> See that footnote 64 on page 33 of the Standing Directions.

### Financial Management Compliance Attestation Statement

I, John Dunn, Chairperson of the Water Authority, on behalf of the board, certify that the Water Authority has the following Material Compliance Deficiencies with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions:

- **Direction 2.3.1(b):** The Auditor-General qualified the Water Authority's financial statements on the basis of not being able to rely on the internal control systems relating to revenue collection and expenditure. The internal control weaknesses will be remedied by implementing strengthened controls recommended by the Auditor-General and Internal audit in the first quarter of the 2022-23 financial year.
- **Direction 3.5.1(b):** A Fraud, Corruption and Other Losses prevention and management policy has not been established or implemented across the Water Authority. This policy will be completed and implemented by July 2024.

[Signature]

[Signatory details]

[date]

DEECA entities that are subject to the PFMCF should make their financial management compliance attestation in accordance with section 5.1.3 of the PFMCF (and the template attestation in Appendix 6), rather than SD 5.1.4.

Any other DEECA entities that have a full exemption from the Standing Directions for the relevant year should contact [pefinance@delwp.vic.gov.au](mailto:pefinance@delwp.vic.gov.au) to confirm how they should attest for 2022-23.

# 14. Declaration in Financial Statements (SD 5.2.2)

The declaration in Financial Statements is the **first item** in the Financial Statements.

## Requirement

SD 5.2.2 (set out below) requires an entity's financial statements to include a signed and dated declaration.

| 5.2.2 Declaration in Financial Statements |   |
|---|---|
| 5.2.2(a)                                  | <p>Who must sign the declaration?</p> <p>An agency's financial statements must include a signed and dated declaration by:</p> <ul style="list-style-type: none"><li>• the accountable officer;</li><li>• the <b>CFO</b> (subject to SD 5.2.2(c)); and</li><li>• a <b>member</b> of the <b>responsible body</b> if the agency has a board or equivalent governing body.</li></ul>  |
| 5.2.2(b)                                  | <p><b>What must be declared?</b></p> <p>The declaration required under SD 5.2.2(a) must state that in the joint opinion of the signing persons:</p> <ul style="list-style-type: none"><li>(i) the financial statements <b>present fairly</b> the financial transactions during the reporting period and the <b>financial position</b> at the end of that period</li><li>(ii) the financial statements have been <b>prepared in accordance with applicable requirements</b> in the FMA, the Standing Directions, the FRDs and the AAS.</li></ul>     |
| 5.2.2(c)                                  | <p><b>Who signs the declaration if there is no CFO - or if CFO does not have relevant expertise?</b></p> <p>If an agency's CFO (including an acting CFO) does not have expertise and qualifications in compliance with SD 2.4.5(a), or if an agency does not have a CFO:</p> <ul style="list-style-type: none"><li>(i) the CFO must not sign financial statements</li><li>(ii) the accountable officer must ensure that the financial statements are signed by a person with the expertise and qualifications required under SD 2.4.5(a).</li></ul> |

## Who makes this declaration?

For most DEECA public bodies, there are **three signatories** to this declaration: the accountable officer, the CFO and a member of the board.

However, if the Accountable Officer or the CFO *are* members of the board, then only **two signatories** are required.

## Who signs the declaration if there is no CFO - or if CFO does not have relevant expertise?

If an agency does not have a CFO or an agency's CFO (including an acting CFO) does not have the requisite expertise and qualifications in order to comply with SD 2.4.5(a), then:

- the CFO must not sign financial statements; and
- the accountable officer must ensure that the financial statements are signed by a person with the expertise and qualifications required under SD 2.4.5(a).



# Example declaration

## Declaration in Financial Statements

The attached financial statements for the [Agency name] have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act* 1994, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and financial position of the [Agency name] at 30 June 2023.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on [insert date of Agency's authorisation] 2023.

.....  
[Name of Accountable Officer]  
[position title of Accountable  
Officer e.g. 'Chair of the board of  
[Agency name]']  
[Agency name]  
[Date]

.....  
[Name of CFO]  
Chief Finance Officer  
[Agency name]  
[Date]

.....  
[Name of member of  
responsible body]  
[position title]  
[Agency name]  
[Date]

Reminder: DEECA entities that are subject to the PFMCF should comply with DEECA's PFMCF when making their declaration in their financial statements.

# 15. Auditor-General's Report

Your agency should ensure that space is allocated in the financial statements for the Auditor-General's Independent Audit Report. The certificate must be reproduced within the report and be a true reproduction of the original, which is usually two pages.

## Part C. Design, printing, tabling, tips and glossary



## 16. Disclosure Index (FRD 10)

Your agency's annual report must include a Disclosure Index. This index should be the **first appendix**.

### 16.1 What is the Disclosure Index?

A Disclosure Index is a list which:

- details **all legal requirements** for which your agency is required to make a disclosure in its annual report (listing the specific **clauses** of each Act),
- includes a short **description** of the relevant requirement; and
- the **page** in the report where disclosure required is made.

### 16.2 What disclosures must be included?

The Disclosure Index must include:

- any Standing Direction or FRD that is applicable to the agency (both have legislative effect), which includes each disclosure that your agency is required to make in accordance with FRD 22;
- any disclosure required by the agency's establishing Act;
- any other disclosure required by any other Act (refer to the list of legislation in section 21) of this guide); and
- any disclosure required by a Ministerial Direction applicable to your agency. Note that this includes Ministerial Reporting Directions issued to water corporations.

For FRDs specific to the Report of Operations or the Financial Statements, the disclosure index entry must be reflected against the applicable part of the report.

**X2**

Those FRDs that apply to both the Report of Operations and the Financial Statements (such as FRD 10 and FRD 12 must be **listed twice** in the disclosure index — in the section for disclosures relating to the financial statements and also in the section relating to the Report of Operations.

### 16.3 Example disclosure index

The **MRO** contains an example of a disclosure index for a department. You can adapt this to suit your agency by removing disclosures that only apply to departments and adding any disclosures specific to your agency.

## 17. Design and printing requirements (FRD 30)

This chapter 17 summarises the design and print specifications for annual reports prescribed by FRD 30.

The purpose of this FRD is to reduce the costs of annual reports for public sector entities, reduce the environmental impact of producing annual reports – both in terms of the type of stock used and elements of the process to make them recyclable – and to ensure a more consistent approach in the way public sector annual reports are presented.



The **design** specifications (below) apply to all reports, whether published in hard copy or online. The **print** specifications (below) only apply to reports that are printed (i.e. professionally published) in hard copy.

Please note that Parliament does not require a **hard copy** report to be tabled or reported in Parliament.

### 17.1 Design specifications

#### Use of colour

- The cover of your report may be printed in **full colour** on both sides.
- Internals should be kept to one colour only (black is preferred), however additional colour may be used **if it facilitates the proper understanding of information** such as charts, graphs, maps or diagrams. The use of **black plus one other colour** should be sufficient for **text** in most instances.

#### Design Guidelines

- The design of your agency's report must be consistent with the *Victorian Government Branding Guidelines* (the Brand Victoria Guidelines).<sup>119</sup>

#### Photographs

- Photography is to be kept to a minimum, with no full-page photographs. Photographs on internal pages of the report should be in black and white.
- Photographs of senior management are not necessary; photographs of relevant Ministers and Secretary/CEO/organisation heads may be included but are not necessary.

#### Format of report

- The annual report is to be produced with a finished size of **A4** (297mm x 210mm) in **portrait** format.
- Individual pages within a report may be printed in **landscape** format to improve readability and understanding of information, such as tables, charts and graphs.

### 17.2 Print specifications

#### Finishing

- Annual reports must be either **perfect bound** or **PUR bound**.<sup>120</sup>
- Coatings such as cello sheens or varnishes are not to be applied to covers or internal pages.
- Do not use finishing elements that contribute to the cost of production (e.g. spot varnish, die cutting or embossing).

<sup>119</sup> <http://www.dpc.vic.gov.au/index.php/communication/brand-victoria>

<sup>120</sup> **Perfect binding** means the application of an adhesive (EVA) to the spine-gathered pages, which keeps them securely bound when dry. The drying process is quick and is completed within a few hours.

**PUR binding** is the same process as perfect binding but uses a different adhesive (PUR rather than EVA), which offers a stronger binding quality and flexibility.

## Paper stocks

- Uncoated stocks are preferable, for both covers and internal pages of annual reports.
- Environmentally suitable paper stocks must be selected for covers and internal pages. These are paper stocks that are either certified by the Forest Stewardship Council (FSC) or Program for the Endorsement of Forest Certification (PEFC).

## Printing costs

- **Printing costs** are expected to be kept to a minimum.
- The number of **pages** and the number of **copies** should be kept to a minimum. Sufficient hard copies should only be published for tabling in parliament and to provide to stakeholders who are not able to obtain a copy online. Stakeholders should be referred to electronic versions on websites.

## Page numbering and referencing

- The report should be published as **one document**. Pages should be numbered consecutively.
- Insertion of separate documents that are not page numbered and are not referenced on the contents page or the Disclosure Index are not appropriate.

# 18. Privacy, copyright & ISSNs

## 18.1 Privacy

The use of photos and/or information about staff or other persons may be **personal information** within the meaning of the *Privacy and Data Protection Act 2014*. Unless the information in the report is required by law, your agency may need to obtain the consent of the person before it is used.



If in doubt about the ability to use and disclose personal information in a report, it is recommended that you obtain the express written consent of the person whose personal information is used in the report.

## 18.2 Copyright

The State of Victoria **owns** the copyright for all departments and public bodies, including your agency.

A copyright statement must appear in all reports. An example is set out below:

---

© State of Victoria, [agency name] 2023. This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968.



You must obtain permission to reproduce copyright material (such as photos taken by another.

## 18.3 ISSN

Your agency should obtain an ISSN (International Standard Serial Number) for the report if this has not already occurred in the past.

ISSNs are only issued to ongoing serial publications, which are intended to continue indefinitely. As an annual report is a serial, rather than a once-off publication, it should have an ISSN not an ISBN (an International Standard Book Number).

Both ISSNs and ISBNs are unique identifiers for certain types of publications.

### How to apply for an ISSN

ISSNs are issued (at no cost) by the National Library of Australia (NLA). Further information on ISSNs together with an [online application form](#) for an ISSN is available on the NLA website.<sup>121</sup>

National Library of Australia

Website: <http://www.nla.gov.au>

Phone (02) 6262 1213 (enquiries 10am -12 pm and 2 pm - 4 pm Monday to Friday).

### Will your report be published in hard copy or only online?

Annual reports can be published in range of mediums, most commonly print and online.

- **Printed reports:** All reports that are to be published in hard copy require an ISSN number from the NLA. Usually, the same print ISSN is used each year. It is inserted on the business page prior to printing.
- **Online reports:** A **separate** online ISSN is **preferable** if the report is to be published online, but it is **not mandatory**. Usually, the same online ISSN is used each year. However, it can be problematic to include it in your report the **first year** it is obtained: an annual report must not be altered after tabling and an online ISSN is not usually issued until after the annual report is published online and the NLA has checked the URL. In certain circumstances NLA may agree to issue an online ISSN prior to publication of a report online. Otherwise, apply for the ISSN and use it for future editions.

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<sup>121</sup> <http://www.nla.gov.au/about-international-standard-serial-numbers>

## Change of title

- A change in title generally requires the allocation of a new number. However, updating the year in the title of an entity's annual report does not require the allocation of a new number.



## 19. Submission and tabling of annual reports

This chapter explains:

- the difference between ‘tabling’ and ‘reporting the receipt’ of an annual report in parliament; and
- what the tabling date of an annual report is
- processes for delivering reports (electronic or published) to parliament for tabling

### 19.1 Tabling vs reporting

#### Tabling

Presenting a document to parliament is called tabling. It is the **Minister’s** obligation to table a public body’s annual report in parliament.<sup>122</sup>

Annual reports can only be tabled when Parliament sits.<sup>123</sup>

#### Reporting

Not all annual reports prepared in accordance with the FMA must be tabled in parliament. For some smaller entities, the Minister is only required to **report to each House of Parliament** that he or she has **received** the entity’s annual report.<sup>124</sup> This is done by a letter to both Houses of Parliament. Copies of the entity’s annual report do not need to be provided.

Receipt of an annual report is reported to Parliament if it is apparent to the Minister from the annual report that your agency’s expenses and obligations in respect of the financial year do not exceed **\$5 million**.

The **exception** is when a member of parliament requests that a report be tabled when it is not otherwise required to be tabled. In this instance, then the Minister must cause the report to be tabled in both Houses of Parliament within 14 sitting days of a request by an MP.<sup>125</sup>

### 19.2 Parliamentary sitting days ★

The days on which both houses of Parliament are sitting in October 2023 are set out below:

| Month    | Tues | Wed | Thu |
|----------|------|-----|-----|
| October  | 3    | 4   | 5   |
|          | 17   | 18  | 19  |
|          | 31   |     |     |
| November |      | 1   | 2   |
|          | 14   | 15  | 16  |
|          | 28   | 29  | 30  |

### 19.3 Key annual reporting dates 2023 ★

#### Key dates for FMA reports

The statutory deadline for when the Minister must have tabled (or reported his or her receipt of) your agency’s annual report in parliament is specified in the FMA as being:

---

<sup>122</sup> section 46(1), FMA

<sup>123</sup> This is due to the wording of s.46 of the FMA and the wording used in most establishing Acts.

<sup>124</sup> section 46(2), FMA

<sup>125</sup> section 46(2)(b), FMA

“after the end of that financial year and before the end of the next following fourth month of the year or on the first sitting day of the House after the end of that month.”

What does this mean, for 2023?

| Section 46  | Means....   |
|---|---|
| ‘after the end of that financial year...’                                 | after 30 June 2023  |
| ‘...and before the end of the next following fourth month of the year...’ | ...and before <b>31 October 2023</b> . (i.e. <b>1<sup>st</sup> deadline</b> ) |
| ‘or on the first sitting day of the House after the end of that month.’   | <b>or on 1 November 2023</b> . (i.e. <b>2<sup>nd</sup> deadline</b> ).        |



The last sitting date in October, and the due date for 2022-23 annual reports that are required under the FMA to be tabled or reported is **31 October 2023**.

However it is likely that most Ministers will aim to table FMA reports on either **17, 18 or 19 October**.

## Key dates for non-FMA (establishing Act) reports

Entities that are not subject to the FMA should refer to their establishing Act to determine the due date for their annual report to be tabled in Parliament. The due dates for tabling in each establishing Act vary.

However most establishing Acts will specify:

- a date by which the agency to submit a report of operations to their responsible Minister on or before a specified date; and<sup>126</sup>
- a timeframe in which the Minister must then cause the report to be tabled in parliament, calculated from the date of the Minister’s receipt of the report.<sup>127</sup>

The table below uses the MCC as an example to demonstrate Marine and Coastal Act 2018

Most years, the due date for a non-FMA agency is usually very similar to an FMA agency.

|                                  |  |   |
|----------------------------------|--|---|
| Due to Minister                  | section 22(1) of the Marine and Coastal Act 2018 provides that the MCC must submit a report on its performance to Minister by 31 October each year.  | On or by 31 October 2023  |
| Due date for report to be tabled | Section 22(2) of the Act provides that the Minister must cause a copy of <b>the report to be tabled within 4 weeks of receipt, or if Parliament is not sitting then the next available sitting day</b> . | Within 4 weeks of the date on which the Minister received the report. |



Please refer to your agency’s establishing legislation or contact the DELWP division that supports your agency if you are uncertain of the Act’s requirements.

<sup>126</sup> For example, for the Marine and Coastal Council (MCC): section 22(1) of the *Marine and Coastal Act 2018* provides that the MCC must submit a report on its performance to Minister by 31 October each year.

<sup>127</sup> For example, for the National Parks Advisory Council (NPAC), The *National Parks Act 1975* provides that the Minister must cause report to be tabled within three weeks of receipt; for MCC: the Marine and Coastal Act 2018 provides that the Minister must cause report to be tabled within 4 weeks of receipt.

## Premier's request

The Premier may request that reports be tabled or reported earlier than the legal deadline. If such a request is made, then your agency should aim to fulfil that request, if possible. No request for early tabling has been made by the Premier as at the date of publication of this guide.



Reminder: Until an entity's report has been tabled or reported in Parliament, it cannot be made available to the public.

## 19.4 Who arranges for tabling/reporting?

The DEECA division that supports your agency will arrange (on the Minister's behalf) to either table or report his or her receipt of your agency's annual report in parliament, ***unless otherwise arranged***.

Please liaise with the DEECA division that supports your agency to determine who will be responsible for delivery to parliament.

## 19.5 Process for sending annual reports to parliament

It is accepted practice that the Minister can send to parliament **one letter addressed to both Clerks**.

The delivery method for sending reports to parliament will vary depending on the report type. For:

- Tabled reports – sent electronically – see (1)
- Tabled reports – delivered hard copy – see (2)
- Reports where receipt is reported – see (3)

### (1) Tabled reports – procedures for electronic delivery (if report is < than 250 pages)

Parliament is now accepting electronic annual reports of less than 250 pages for tabling. Electronic tabling procedures mean that where hard copies would normally be required, a pdf version (only) of the report is now sufficient to meet parliament's requirements.

Your DEECA division will send to the Assembly Procedure Office your electronic report to parliament on the Minister's behalf, emailed to [tabling@parliament.vic.gov.au](mailto:tabling@parliament.vic.gov.au) with tabling letters, as per the procedure outlined below.

**Where annual reports are provided to parliament electronically, parliament will then proceed to print two copies of the report and provide these two copies (unbound and stapled) to each House for tabling.**

**Note:** When providing pdfs to parliament, please make sure that:

- the document does not include any unwanted track changes
- any redacted text is not searchable
- there is no confidential or redacted information remaining in the metadata.
- An electronic copy of a report must be saved as a **single pdf** document and must be **identical** to any hard copy reports provided.
- The maximum size of electronic copies is 20MB (but please try to make it much smaller).



If you publish your report in hard copy, the print specifications in FRD 30 (as outlined in section 17.2 of this guide) apply (in addition to the design specifications, which apply to all reports whether published or electronic).

## (2) Tabled reports - Delivering hard copy reports to parliament (requirement for >250 page reports)

If your report exceeds 250 pages, then parliament will require hard copy reports for tabling. Your agency may still deliver hard copy reports to Parliament, per usual procedures.

The required documents and delivery methods are set out below.

- At least **two** hard copies of your agency's annual report to be hand delivered to the Council Table Office
- One tabling letter signed by the Minister to be hand delivered to the Council Table Office
- One electronic (pdf) copy of your agency's report to be either:
- sent by email to [tabling@parliament.vic.gov.au](mailto:tabling@parliament.vic.gov.au); **OR**
- delivered on a USB to the Assembly Procedure Office.



**Professionally published reports only:** for the **exact number of copies** of reports that are required, please refer to the DEECA division that supports your agency. The total number of reports that your agency should provide will include the number of reports:

- required by parliament (*if any - see above*)
- required for legal deposit (*see below*)
- required by the department (if any).

Once reports are tabled, parliament will use the electronic copy of your agency's annual report to make it available online through its [tabled documents database](#).<sup>128</sup>

## (3) Reports where receipt is reported - Electronic reporting letters

If the responsible Minister is only required to report his or her receipt of your agency's annual report to parliament, then an electronic copy of the signed letter (commonly referred to as a 'reporting letter') can be emailed to parliament. This is done by the DEECA division that supports your agency unless otherwise agreed.

The reporting letter signed by the Minister and addressed to both the Clerk of the Legislative Council and the Clerk of the Legislative Assembly must be either:

- emailed to [tabling@parliament.vic.gov.au](mailto:tabling@parliament.vic.gov.au); **OR**
- hand delivered to the Assembly Procedure Office.



If your agency is not required have its annual reports tabled in parliament (i.e. its annual turnover is less than \$5 million), then DEECA does not require – or expect - that it the agency would publish its annual report in hard copy.

## 19.6 Public release of an annual report

After an annual report has been tabled in either House of parliament (or its receipt has been reported), your agency may release the report to the public.

Notice that a report has been tabled or reported in parliament is published in [the tabled documents database](#). Your agency **must wait until this notice has been published** to release its annual report to the public. The DEECA division that supports your agency will usually contact you to let you know when this has occurred.

The annual report that is made available publicly **must be the same** as that tabled in the parliament or provided to the Minister (as the cases requires).

<sup>128</sup> <https://www.parliament.vic.gov.au/assembly/tabled-documents/search-tabled-documents-database>

## 19.7 Legal Deposit ★



Please note there have been minor changes to VGLS's requirements for annual reports.

- A **pdf** copy of your report (rather than a website link) must be emailed to VGLS; and
- For reports published in hard copy (only), **four** hard copies rather than five are now required.

Legal deposit of an annual report is a statutory obligation under the *Victorian Libraries Act 1988* and the *Commonwealth Copyright Act 1968*.

The Victorian Government Library Service (VGLS) is responsible for fulfilling the legal deposit requirements.

Once your agency's report is tabled (or reported) in parliament, the DEECA division that supports your agency will arrange for the following copies of your annual report to be delivered to the VGLS to enable it to fulfil the legal deposit requirements:

**Table 1: Legal deposit requirements**

| Hard copy publications (print):   | Online publications (pdf):  |
|---|---|
| <p>Send <b>four (4)</b> hard copies of your agency's annual report to VGLS at this address:</p> <p>• Registrar of Publications<br/>Knowledge Resource Centre<br/>607 Sneydes Road,<br/>Werribee 3030</p>  | <ul style="list-style-type: none"><li>• Email a <b>pdf copy</b> of the report to VGLS (at <a href="mailto:vgls.collections@dtf.vic.gov.au">vgls.collections@dtf.vic.gov.au</a>)</li></ul> |
| <p><b>AND</b></p> <ul style="list-style-type: none"><li>• email a <b>pdf copy</b> of the report to VGLS (at <a href="mailto:vgls.collections@dtf.vic.gov.au">vgls.collections@dtf.vic.gov.au</a>) (at <a href="mailto:vgls.collections@dtf.vic.gov.au">vgls.collections@dtf.vic.gov.au</a>)</li></ul> |   |



An **online publication** of an annual report refers to a report that is only made available to the public in an electronic form, via an agency's website.

The **hard copy** requirements for legal deposit only apply to reports that have been professionally published in hard copy. Where a report has not been professionally published, a **pdf copy** is sufficient for legal deposit.

If your agency's report is published in **hard copy** please note that:

- the number of hard copies required for legal deposit are **in addition** to the number of copies required for tabling.
- the DEECA division that supports your agency may also require additional hard copies of your agency's report.

## 19.8 Errors in annual reports after tabling

If you identify an error in an annual report after it has been tabled or reported, contact your DEECA relationship manager at first instance to discuss. Parliament's guidance note '*Errors in tabled reports*' explains the process that should be followed if you identify an error in annual report after it has been tabled or reported in Parliament. A different process applies depending on the type of error (i.e. minor or significant). A copy of this guidance note is available from Parliament's website.<sup>129</sup>

<sup>129</sup> [https://www.parliament.vic.gov.au/images/stories/documents/assembly/Tabling\\_info/Errors\\_in\\_tabled\\_documents.pdf](https://www.parliament.vic.gov.au/images/stories/documents/assembly/Tabling_info/Errors_in_tabled_documents.pdf)

## 20. Checklist of common errors to avoid

The following **checklist** can help your agency to avoid common errors in preparing an annual report:

| Tick                     | Question   |
|--------------------------|--|
| <input type="checkbox"/> | Have you made a <b>Environmental Protection</b> disclosure that complies with the new FRD 24?  |
| <input type="checkbox"/> | Have you included either an <b>Emergency Procurement</b> disclosure (or a nil disclosure)?   |
| <input type="checkbox"/> | Have you included a <b>Social Procurement</b> disclosure?  |
| <input type="checkbox"/> | An Asset Management Accountability Framework disclosure is not required for 2022-23.   |
| <input type="checkbox"/> | Are the <b>independent</b> members of the audit committee identified?  |
| <input type="checkbox"/> | Is the <b>five-year summary of financials</b> current? Are amounts for previous years consistent with previously reported figures?   |
| <input type="checkbox"/> | Have you updated the <b>FOI fee</b> ? <b>The new fee is \$31.80 from 1 July 2023.</b> Are the <b>contact details</b> for the FOI Act still correct / current?  |
| <input type="checkbox"/> | Are your agency's <b>Public Interest Disclosure Act 2012</b> procedures available online?  |
| <input type="checkbox"/> | For disclosures that require data to be provided for more than one year (e.g. workplace data), have you checked to make sure that the data you are including in your 2022-23 annual report is the same as that disclosed in its 2021-22 annual report?   |
| <input type="checkbox"/> | Is there a statement for every required disclosure — even if it is a nil response? See below for a list of all FRDs that require a nil report to be made.  |
| <input type="checkbox"/> | Have you checked the following references to make sure they have been updated? <ul style="list-style-type: none"> <li>– the relevant financial year (i.e. “2022-23” not “2021-22”)</li> <li>– removed the alphabetisation of FRDs (i.e. “FRD 10” not “FRD 10A”)</li> </ul>   |
| <input type="checkbox"/> | Have you checked to make sure all <b>cross-references</b> to pages within your agency's report are correct?  |
| <input type="checkbox"/> | Are all references to financial amounts in your agency's Report of Operations consistent with the corresponding amounts in its financial statements?   |
| <input type="checkbox"/> | Does your CFO have appropriate expertise?  |
| <input type="checkbox"/> | In your statement detailing <b>additional information available on request</b> , have you identified whether information is available in full or part?   |
| <input type="checkbox"/> | Have you included your agency's Financial Management Compliance Attestation?   |
| <input type="checkbox"/> | Is the <b>Auditor-General's letter</b> included? Is it this year's letter?   |
| <input type="checkbox"/> | Disclosure index <ul style="list-style-type: none"> <li>• Have you included a Disclosure index (&amp; is it the first appendix)?</li> <li>• Are the FRD numbers and pages references in the index correct?</li> <li>• Does it include any new disclosure that your entity has made for the first time in 2022-23?</li> <li>• Does it list all Acts and any directions or similar documents that impose a legal obligation on your agency to include information in its annual report?</li> </ul> |

## 21. Useful lists

### Disclosures which must be listed twice (x2) in your Disclosure Index

- Local Jobs First disclosure (FRD 25 and the *Local Jobs First Act* 2003)
- Compliance with the *Building Act* 1993 (FRD 22 & the *Building Act* 1993)
- Freedom of Information (FRD 22 and the *Freedom of Information Act* 1982)
- Public Interest Disclosures Act 2012 (FRD 22 and the Public Interest Disclosures Act 2012)

### Disclosures which must be made TWICE — once in Report of Operations & once in Financial Statements

- Names of responsible Ministers (FRD 22 and FRD 21)
- Subsequent Events (FRD 22 and see Note 9.11 MFS)

### List of FRDs that require a nil report (or nil disclosure) to be made

- |   |  |
|---|--|
| • Subsequent Events (FRD 22)                  | • Freedom of Information (FRD 22 and the <i>Freedom of Information Act</i> 1982)       |
| • Local Jobs First Disclosure (FRD 25)        | • Compliance with the <i>Building Act</i> 1993 (FRD 22 & the <i>Building Act</i> 1993) |
| • Disclosure of Major Contracts (FRD 12)      | • Emergency Procurement disclosure (FRD 22)  |
| • Government advertising expenditure (FRD 22) |  |
| • ICT expenditure (FRD 22)                    |  |



## 22. Contacts

| Office or organisation   | Email address or website   |
|--|--|
| • DTF Accounting Policy team   | <a href="mailto:accpol@dtf.vic.gov.au">accpol@dtf.vic.gov.au</a>   |
| • DTF Financial Frameworks team                                      | <a href="mailto:standing.directions@dtf.vic.gov.au">standing.directions@dtf.vic.gov.au</a>   |
| • Your DEECA relationship manager                                    |  |
| • DEECA Finance and Planning   | <a href="mailto:pe.finance@delwp.vic.gov.au">pe.finance@delwp.vic.gov.au</a>   |
| • DEECA Government Emissions Team                                    | <a href="mailto:environmental.reporting@delwp.vic.gov.au">environmental.reporting@delwp.vic.gov.au</a>   |
| • DEECA Portfolio Governance unit, Strategy and Performance Division | <a href="mailto:governance@delwp.vic.gov.au">governance@delwp.vic.gov.au</a>   |
| • Legislative Assembly Procedure Office                              | A: Parliament House, Spring Street, East Melbourne Vic 3002  |
| •  | Ph: 03 9651 8563 E: <a href="mailto:assembly@parliament.vic.gov.au">assembly@parliament.vic.gov.au</a>   |
| • Legislative Council Chamber Support Office                         | A: Parliament House, Spring Street, East Melbourne Vic 3002<br>Ph: 03 9651 8678 E: <a href="mailto:council@parliament.vic.gov.au">council@parliament.vic.gov.au</a><br>Send PDF copies of reports or documents to:<br><a href="mailto:tabling@parliament.vic.gov.au">tabling@parliament.vic.gov.au</a> |
| • National Library of Australia                                      | <a href="http://www.nla.gov.au">http://www.nla.gov.au</a>  |
| • Office for Disability  | E: <a href="mailto:ofd@dffh.vic.gov.au">ofd@dffh.vic.gov.au</a> T:1300 880 043   |
| • Office of Industry Participation and Jobs                          | W: <a href="mailto:localjobsfirst.vic.gov.au">localjobsfirst.vic.gov.au</a> ;<br>E: <a href="mailto:localjobsfirst@ecodev.vic.gov.au">localjobsfirst@ecodev.vic.gov.au</a>   |
| • Social Procurement   Government Procurement, DGS                   | E: <a href="mailto:Social.procurement@ecodev.vic.gov.au">Social.procurement@ecodev.vic.gov.au</a> ★  |
| • Victorian Government Library Service                               | <a href="mailto:vgls.collections@dtf.vic.gov.au">vgls.collections@dtf.vic.gov.au</a>   |

## 23. Glossary

| Term  | Meaning   |
|---|---|
| AAS   | Australian Accounting Standards (and other mandatory professional reporting requirements) issued by the Australian Accounting Standard Board (AASB).  |
| Accountable officer                           | means the chief executive officer, by whatever name called. <sup>130</sup>  |
| agency  | A DEECA portfolio agency that is a public body.   |
| <b>CFO</b> (or CFAO)                          | Chief Finance Officer (also referred to as the Chief Finance and Accountable Officer (CFAO) in the FMA)   |
| Department                                    | A Victorian Government department   |
| DEECA division that supports your agency      | The governance unit or contact person at DEECA that usually assists your agency   |
| DGS   | Department of Government Services   |
| DPC   | Department of Premier and Cabinet   |
| DTF   | Department of Treasury and Finance (website: <a href="http://www.dtf.vic.gov.au">www.dtf.vic.gov.au</a> )   |
| EOFY  | End of Financial Year. For most agencies this is 30 June.   |
| FMA   | Financial Management Act 1994   |
| Financial Reporting Direction (FRD)           | A financial reporting direction issued by the Department of Treasury and Finance, on behalf of the Minister for Finance under the FMA.  |
| guide (or this guide)                         | Means this 'DEECA Guide to Annual Reporting – public bodies.'   |
| ISSN and ISBN                                 | See 18.3 of this guide  |
| Model Report                                  | The 2022-23 <u>Model Report for Victorian Government Departments</u> issued by DTF. The Model Report 2022-23 <u>Model Report for Victorian Government Departments</u> issued by DTF, which consists of the MRO and the MFS.                       |
| MFS   | Means the Model Financial Statements, being part of the Model Report.   |
| MRO   | The Report of Operations in DTF's Model Report.   |
| PAA   | Public Administration Act 2004.   |
| PFMCF   | means DEECA's Portfolio Financial Management Compliance Framework   |
| Public body or body (also see <b>agency</b> ) | Public body has the same meaning as it does in Section 3 of the FMA (see 3.1 of this guide) except when used in the context of the <i>Public Interest Disclosures Act 2012</i> , in which case it has the same meaning as it does in the PID Act. |
| Responsible Body                              | The board of a public body, or if the body does not have a board, the person that is responsible for governing the body's operations.   |
| Risk Management Framework                     | means the <u>Victorian Government Risk Management Framework – (August 2020)</u> .   |

<sup>130</sup> Sections 3 and 42(2)(b) of the FMA

| Term  | Meaning  |
|---|--|
| Standing Directions (SD)                    | <p>The <u>2018 Standing Directions</u> of the Minister for Finance under the <i>Financial Management Act 1994</i> were released on 11 October 2018 and last updated in December 2022. They are mandatory.</p> <p>The <u>Instructions</u> were issued in June 2016 and are mandatory.</p> <p>The <u>Guidance</u> is not mandatory.</p> <p>See 4.2 of this guide for details of any recent updates to the SDs, Instructions or Guidance.</p> |
| VAGO  | Victorian Auditor General's Office   |
| Victorian Public Sector Staff Gender Policy | means the ' <u><i>Policy and Standard Model for Collecting Staff Gender Information - Victorian Public Sector</i></u> '  |
| VMIA  | Victorian Managed Insurance Authority  |
| VPSC  | Victorian Public Sector Commission   |



